

CITY OF MERIDIAN

RESOLUTION NO. 21-2273

BY THE CITY COUNCIL:

BERNT, BORTON, CAVENER,
HOAGLUN, PERREAULT, STRADER

A RESOLUTION OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF MERIDIAN, IDAHO, ACCEPTING THAT CERTAIN REPORT ON ELIGIBILITY FOR THE NORTHERN GATEWAY AREA AS AN URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA AND JUSTIFICATION FOR DESIGNATING THE AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; DETERMINING THE AREA IDENTIFIED IN THE REPORT TO BE A DETERIORATED AREA OR A DETERIORATING AREA, OR A COMBINATION THEREOF, AS DEFINED BY IDAHO CODE SECTIONS 50-2018(9) AND 50-2903(8); DIRECTING THE URBAN RENEWAL AGENCY OF THE CITY OF MERIDIAN, IDAHO, ALSO KNOWN AS THE MERIDIAN DEVELOPMENT CORPORATION, TO COMMENCE THE PREPARATION OF AN URBAN RENEWAL PLAN FOR THE AREA SUBJECT TO CERTAIN CONDITIONS, WHICH PLAN MAY INCLUDE REVENUE ALLOCATION PROVISIONS FOR ALL OR PART OF THE AREA; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council (the “City Council”) of the City of Meridian, Idaho (the “City”), found that deteriorating areas exist in the City, therefore, for the purposes of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the “Law”), created an urban renewal agency pursuant to the Law, authorizing the agency to transact business and exercise the powers granted by the Law and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”) upon making the findings of necessity required for creating the Urban Renewal Agency of the city of Meridian, Idaho, also known as the Meridian Development Corporation (“MDC”);

WHEREAS, the Mayor has duly appointed the Board of Commissioners of MDC (the “MDC Board”), which appointment was confirmed by the City Council;

WHEREAS, on October 8, 2002, the City Council, after notice duly published, conducted a public hearing on the Meridian Revitalization Plan Urban Renewal Project, which is also referred to as the Downtown District (the “Downtown District Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 02-987 on December 3, 2002, approving the Downtown District Plan, making certain findings and establishing the Downtown District revenue allocation area (the “Downtown District Project Area”);

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Ten Mile Road Urban Renewal Plan (the “Ten Mile Plan”). The public hearing was continued to June 21, 2016, for further testimony;

WHEREAS, following said public hearings, the City Council adopted its Ordinance No. 16-1695 on June 21, 2016, approving the Ten Mile Plan, making certain findings and establishing the Ten Mile revenue allocation area (the “Ten Mile Project Area”);

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the First Amendment to the Meridian Revitalization Plan Urban Renewal Project (“First Amendment to the Downtown District Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 20-1881 on June 9, 2020, approving the First Amendment to the Downtown District Plan deannexing certain parcels and making certain findings (collectively, the Downtown District Plan, and amendments thereto, are referred to as the “Existing Downtown District Plan,” and the Downtown District Project Area, and amendments thereto, are referred to as the “Existing Downtown District Project Area”);

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Union District Urban Renewal Project (the “Union District Plan”);

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 20-1882 on June 9, 2020, approving the Union District Plan, making certain findings and establishing the Union District revenue allocation area (the “Union District Project Area”);

WHEREAS, the Existing Downtown District Plan, the Ten Mile Plan, and the Union District Plan and their project areas are collectively referred to as the “Existing Project Areas;”

WHEREAS, it has become apparent that additional property, most of which is located within the City, and a portion of which is located within the City’s area of operation within unincorporated Ada County, may be deteriorating or deteriorated and should be examined as to whether such an area is eligible for an urban renewal project;

WHEREAS, in 2021, Kushlan | Associates commenced an eligibility study and preparation of an eligibility report for an area 126.226 acres in size, approximately 77 acres of which is currently located within the boundaries of the Existing Downtown District Project Area, which area is subject to a deannexation. The area is generally located in the central part of Meridian, northeast of the City’s downtown core, and east of Meridian Road and south of Fairview Avenue extending to Pine Avenue between NE 2nd Street and E. 3rd Street, and which area also includes a commercial area east of Meridian Road fronting Fairview Avenue on the north and a 17.64-acre parcel located on the northwest corner of Meridian Road and Cherry Lane. The eligibility study area is commonly referred to as the Northern Gateway District Study Area (the “Study Area”);

WHEREAS, MDC obtained an eligibility report entitled Northern Gateway Urban Renewal District (Proposed) Eligibility Report, dated May 2021 (the “Report”), which examined the Study Area, which area also includes real property located within unincorporated Ada County, for the purpose of determining whether such area was a deteriorating area and/or a deteriorated area as defined by Idaho Code Sections 50-2018(8), (9) and 50-2903(8);

WHEREAS, the Report, a copy of which is attached hereto as **Exhibit A**, found the existence of one or more of the statutory criteria for the area to be considered eligible for urban renewal activities;

WHEREAS, pursuant to Idaho Code Sections 50-2018(8), (9) and 50-2903(8), which define the qualifying conditions of a deteriorating area and a deteriorated area, many of the conditions necessary to be present in such an area are found in the Study Area, *i.e.*,

- a. the presence of a substantial number of deteriorated or deteriorating structures; and deterioration of site;
- b. age or obsolescence;
- c. the predominance of defective or inadequate street layout;
- d. faulty lot layout in relation to size, adequacy, accessibility, or usefulness; obsolete platting;
- e. insanitary or unsafe conditions;
- f. diversity of ownership;
- g. results in economic underdevelopment of the area; and
- h. substantially impairs or arrests the sound growth of a municipality.

WHEREAS, the Study Area contains open land;

WHEREAS, under the Act a deteriorated area includes any area which is predominantly open and which, because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality;

WHEREAS, Idaho Code Sections 50-2018(9), 50-2903(8) and 50-2008(d) list the additional conditions applicable to open land or open areas, including open land areas to be acquired by MDC, which are the same or similar to the conditions set forth in the definitions of “deteriorating area” and “deteriorated area;”

WHEREAS, the Study Area is not “predominantly” open; however, the Report addresses the necessary findings concerning including open land within any urban renewal area as defined in Idaho Code Sections 50-2018(9), 50-2903(8)(c), and 50-2008(d);

WHEREAS, the effects of the listed conditions cited in the Report result in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare in its present condition or use;

WHEREAS, MDC, on June 9, 2021, adopted Resolution No. 21-026 (a copy of which is attached hereto as **Exhibit B** and incorporated herein by this reference, without attachments thereto) accepted the Report and authorized the Chair, Vice-Chair, or Administrator of MDC to transmit the Report to the City Council requesting its consideration for designation of an urban renewal area and requesting the City Council to direct MDC to prepare an urban renewal plan for the Study Area, which plan may include a revenue allocation provision as allowed by law;

WHEREAS, under the Law and Act, Idaho Code Sections 50-2903(8)(f) and 50-2018(8)

and (9), the definition of a deteriorating area shall not apply to any agricultural operation as defined in Section 22-4502(2), Idaho Code, absent the consent of the owner of the agricultural operation except for an agricultural operation that has not been used for three (3) consecutive years;

WHEREAS, the Study Area includes a parcel subject to such consent. While the necessary consent has not been obtained, it is anticipated the consent will be obtained prior to City Council consideration of any urban renewal plan;

WHEREAS, Idaho Code Section 50-2018(18) provides that an urban renewal agency cannot exercise jurisdiction over any area outside the city limits without the approval of the other city or county declaring the need for an urban renewal plan for the proposed area;

WHEREAS, the portion of the Study Area lying outside the City limits and within unincorporated Ada County includes a parcel which is anticipated to proceed through the formal annexation process of the City;

WHEREAS, though a portion of the Study Area lies outside the City limits, because that parcel is anticipated to proceed through the voluntary annexation process, no formal resolution from Ada County, Idaho, has been requested. In the event annexation of that parcel has not been obtained by the time the City Council considers approval of a new urban renewal plan, it is anticipated the City would seek to obtain an agreement with Ada County, Idaho, as required by Idaho Code Section 50-2906(3);

WHEREAS, the Report includes a preliminary analysis concluding the base assessment roll value for the Study Area along with the base assessment rolls for the Existing Project Areas and any proposed revenue allocation areas or amendments thereto, do not exceed 10% of the current assessed valuation of all taxable property within the City;

WHEREAS, pursuant to Idaho Code Section 50-2008, an urban renewal project may not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area, or combination thereof, and designated such area as appropriate for an urban renewal project;

WHEREAS, Idaho Code Section 50-2906 also requires that in order to adopt an urban renewal plan containing a revenue allocation financing provision, the local governing body must make a finding or determination that the area included in such plan is a deteriorated area or a deteriorating area; and

WHEREAS, it is desirable and in the best public interest that MDC prepare an urban renewal plan for the area identified as the Northern Gateway District Study Area in the Report located in the city of Meridian, county of Ada, state of Idaho.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MERIDIAN, AS FOLLOWS:

Section 1. That the City Council acknowledges acceptance and receipt of the Report.

Section 2. That the City Council finds and declares that the Northern Gateway District Study Area identified in the Report, attached hereto as **Exhibit A**, which a portion of such area is subject to deannexation from the Existing Downtown District Project Area, is a deteriorated area and/or a deteriorating area existing in the City and the City's area of operation, as defined in Title 50, Chapters 20 and 29, Idaho Code, as amended, and qualifies as an urban renewal project and justification exists for designating the area as appropriate for an urban renewal project.

Section 3. That the City Council finds and declares there is a need for MDC, an urban renewal agency, to function in accordance with the provisions of Title 50, Chapters 20 and 29, Idaho Code, as amended, within a designated area for the purpose of establishing an urban renewal plan.

Section 4. That having made such designation, the City Council hereby directs MDC to commence preparation of an urban renewal plan for the Northern Gateway District Study Area described in the Report for consideration by the MDC Board and, if acceptable, final consideration by the City Council in compliance with Title 50, Chapters 20 and 29, Idaho Code, as amended.

Section 5. That the City Council directs MDC to obtain the required agricultural consent from the property owner(s) prior to formally submitting the proposed urban renewal plan to the City Council for its consideration.

Section 6. That in the event annexation of the parcel currently located within unincorporated Ada County has not been obtained by the time the City Council considers approval of a new urban renewal plan, it is anticipated the City Council would seek to obtain an agreement with Ada County, Idaho, as required by Idaho Code Section 50-2906(3).

Section 7. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

ADOPTED By the Council of the City of Meridian, Idaho, this 6th day of July 2021.

APPROVED By the Mayor of the City of Meridian, Idaho, this 6th day of July 2021.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Exhibit A



Northern Gateway Urban Renewal District
(Proposed)

Eligibility Report

Prepared for

The City of Meridian
and
The Meridian Development Corporation
May 2021



Kushlan | Associates
Boise, Idaho

Introduction: Kushlan | Associates was retained by the Urban Renewal Agency of the City of Meridian, Idaho, also known as the Meridian Development Corporation (the “MDC”) to assist in their consideration of establishing a new urban renewal district¹ in the City of Meridian, Idaho, and its area of operation.

Elected Officials serving the City of Meridian are:

Mayor:	Robert Simison
Council President:	Treg Bernt
Council Vice President:	Brad Hoaglund
Council Members:	Joe Borton
	Luke Cavener
	Liz Strader
	Jessica Perreault

City Staff

Community Development Director:	Cameron Arial
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Idaho Code § 50-2006 states: “URBAN RENEWAL AGENCY. (a) There is hereby created in each municipality an independent public body corporate and politic to be known as the "urban renewal agency" that was created by resolution as provided in section 50-2005, Idaho Code, before July 1, 2011, for the municipality...” to carry out the powers enumerated in the statutes. The Meridian City Council adopted Resolution 01-397 on July 24, 2001 bringing forth those powers within the City of Meridian.

The Mayor, with the confirmation of the City Council, has appointed nine members to the MDC Board of Commissioners (the “MDC Board”). The MDC Board currently oversees the implementation of three urban renewal districts. Two are focused on the revitalization of downtown Meridian. The first, the Meridian Revitalization Plan Urban Renewal Project (the “Downtown District”) was established by the City Council’s adoption of Ordinance No. 02-987 on December 3, 2002. The second district, the Urban Renewal Plan for the Union District Urban Renewal Project (the “Union District”) was established with the adoption of Ordinance No. 20-1882 on June 9, 2020. Both the Downtown District and the Union District are focused on redevelopment activities in and around the City’s downtown core. The third district, the Urban Renewal Plan for the Ten Mile Road- A Urban Renewal Project (the “Ten Mile District”) was established by Ordinance No. 16-1695 adopted on June 21, 2016, and is focused on economic development outside of the City’s core to support implementation of the Ten Mile Interchange Specific Area Plan.

The current membership of the Commission is as follows:

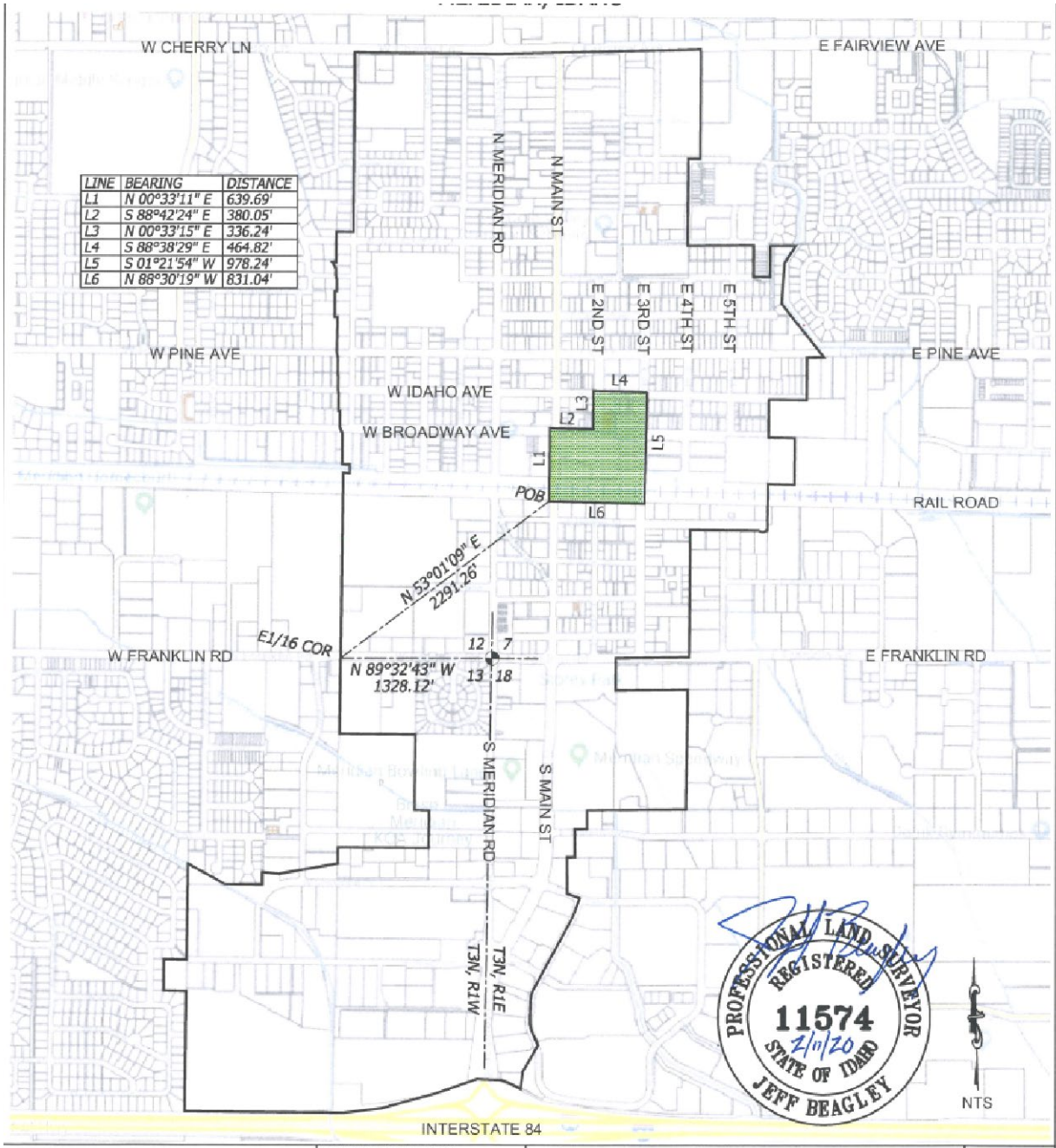
Chair:	David Winder
Vice Chairman	Nathan Mueller
Secretary/ Treasurer	Steve Vlassek
Commissioners	Dan Basalone
	Rob McCarvel
	Treg Bernt
	Tammy deWeerd
	Diane Bevan
	Kit Fitzgerald

¹ Throughout this Study, urban renewal/revenue allocation area will be referred to as an “urban renewal district.”

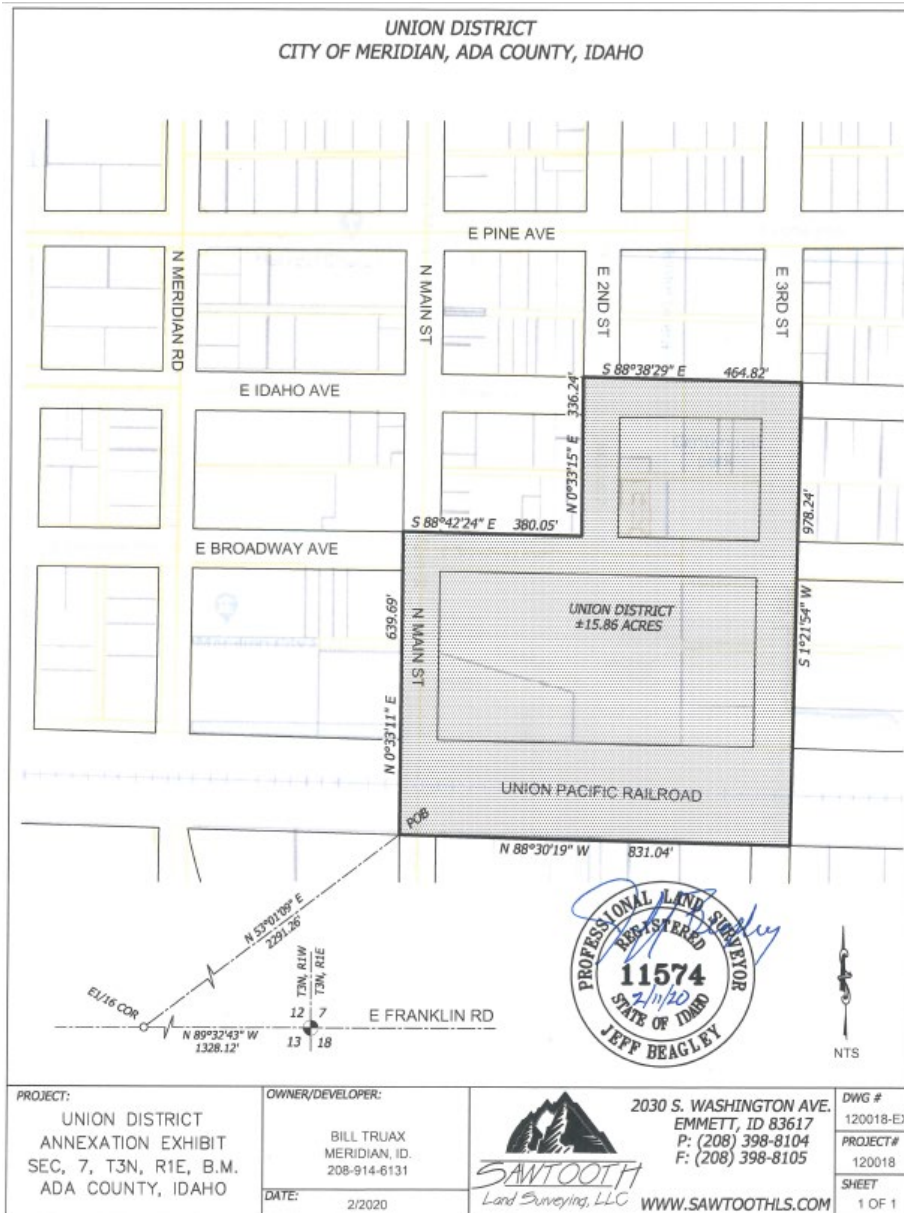
Staff:
 Urban Renewal Administrator:
 Legal Counsel:

Ashley Squyres
 Todd Lakey

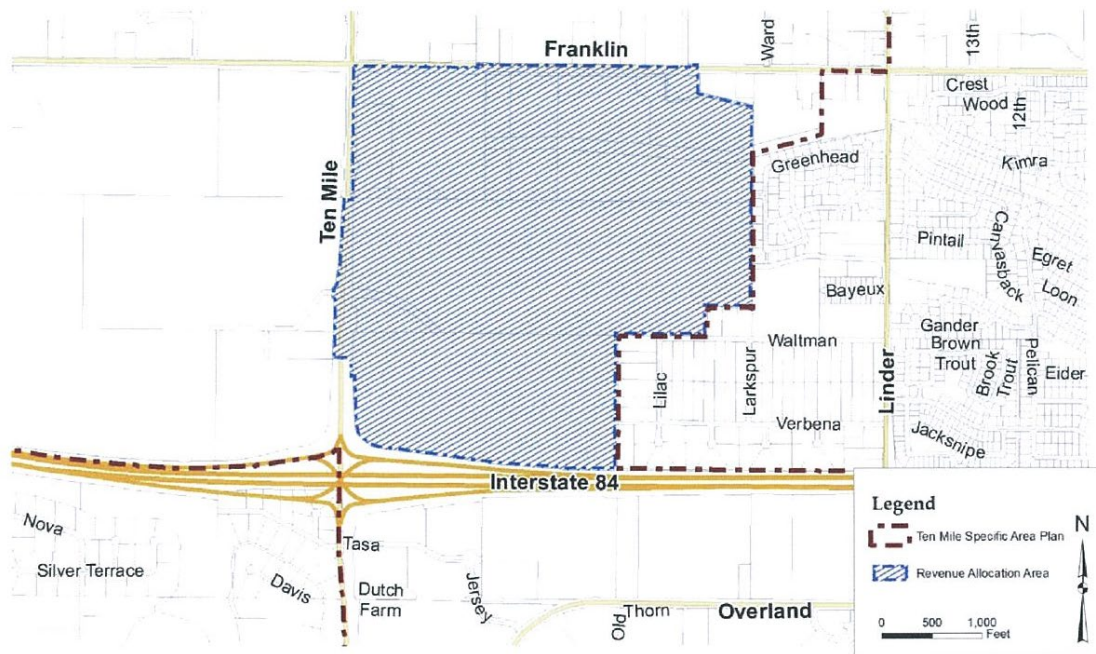
Map of the Downtown District (excluding shaded area)



Map of Union District



Map of Ten Mile Road District



Background:

While Native Americans inhabited the area for centuries, the development of the community of Meridian, as we know it today, evolved through the late nineteenth century. European settlement started in the 1880s and was originally located on a farm owned by the Onweiler family. A school was opened in 1885. The U.S. Postal Service established a mail drop along the Oregon Short Line Railroad and the site was named Hunter after its superintendent. Community activity grew around this mail stop focused on the railroad. In 1893 an Odd Fellows lodge was organized and called itself Meridian, acknowledging that it was located on the Boise Meridian the primary North-South survey benchmark for Idaho. That name grew in primary use as the name of the settlement and the Village of Meridian was incorporated in 1903 with a population of approximately 200.

The economy had traditionally been focused on the support of the surrounding agricultural activities. A major creamery was established in the community in 1897 to support the nearby dairies. Fruit orchards were located throughout the area.

Meridian was a significant stop on the Interurban electric railway from 1908 to 1928. This service provided convenient access for passengers and freight in both easterly and westerly directions.

Throughout most of the 20th century, Meridian remained a relatively quiet community focused on its agricultural roots. US Census Bureau data, reflects a 1910 population of 619 people growing to 2,616 by 1970. However, starting in 1970 the pace of growth in Southwest Idaho quickened and Meridian's growth initially reflected, and then exceeded

the regional rates by significant margins. Over the past twenty-five years the rate of growth has been startling by any reasonable standard. The following table reflects that population growth over the city’s history.

1903 (Incorporation Estimate)	200
1910	619
1920	1,013
1930	1,004
1940	1,465
1950	1,500
1960	2,100
1970	2,600
1980	6,658
1990	9,596
2000	34,919
2010	75,092
2020	114,200
2021 (Estimate)	129,555

When income statistics are compared to statewide numbers, the population of Meridian compares favorably with the rest of Idaho in these categories. The median household income in Meridian is \$71,389, approximately 28% above the statewide figure of \$55,785. Per capita money income for the Meridian population is \$33,328 as compared to the statewide number of \$27,970. The percentage of the Meridian population below poverty level is 8.6% as compared to the statewide number of 11.2%.

Investment Capacity: Cities across the nation actively participate in the economic vitality of their communities through investment in infrastructure. Water and sewer facilities as well as transportation, communication, electrical distribution and other systems are all integral elements of an economically viable community. Idaho cities have a significant challenge in responding to these demands along with the on-going need to reinvest in their general physical plant to ensure it does not deteriorate to the point of system failure. They face stringent statutory and constitutional limitations on revenue generation and debt as well as near total dependence upon state legislative action to provide funding options. These strictures severely constrain capital investment strategies.

The tools made available to cities in Title 50, Chapters 20 and 29, the Urban Renewal Law and the Local Economic Development Act are some of the few that are available to assist communities in their efforts to support economic vitality. New sources of State support are unlikely to become available in the foreseeable future, thus the City of Meridian’s interest in exploring the potential for establishing another urban renewal district is an appropriate public policy consideration.

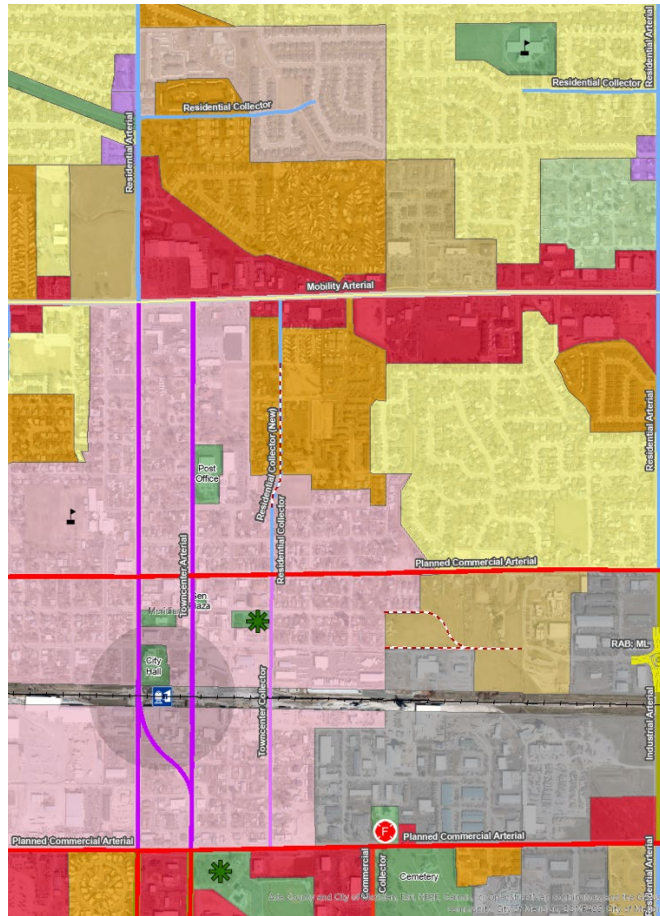
The City of Meridian initially established its Urban Renewal Agency in 2001. As noted above, the Downtown District’s exclusive focus, limited by the boundaries of the district, is on the traditional downtown area of Meridian. The Ten Mile District was created in 2016 and was designed to support the implementation of the Ten Mile Interchange Specific Area Plan. A third urban renewal district was created in 2020 from an area de-

annexed from the original Downtown District to support a significant mixed use-project. The Northern Gateway Urban Renewal District would, if approved by the MDC Board of Commissioners and Meridian City Council, would remove 133 parcels from the existing Downtown District² and combine those with other properties and rights-of-way north of Fairview Avenue and southeast of Fairview Avenue to establish a new district. One large property (Kobe property ~ 17.64 acres) currently under consideration for inclusion in the district remains outside the city limits and in unincorporated Ada County. To include this parcel in a district under the jurisdiction of MDC, an agreement would be required between the City and Ada County to permit this inclusion. Should annexation of this parcel be effectuated prior to the establishment of the district by the City Council, no agreement would be required.

Comprehensive Plan:

The City of Meridian Comprehensive Plan, updated in 2019 calls for a mixture of Office, High Density Residential, Commercial and Mixed-Use development in the Study Area under current review. The Study Area is in transition from a predominately single-family residential area dating back to the early years of the community. While many of the residences remain in their original use, many others have been converted to office uses creating a patchwork of uses with more intense commercial activity along the arterial streets.

² The Second Amendment to the Meridian Revitalization Plan seeking to deannex certain parcels from the existing Downtown District, including those parcels that are contemplated to be considered for inclusion in the proposed Northern Gateway District, has been approved by the MDC Board and submitted to the City for its consideration.



Steps in Consideration of an Urban Renewal District:

The first step in consideration of establishing an urban renewal district in Idaho is to define a potential area for analysis as to whether conditions exist within it to qualify for redevelopment activities under the statute. We have called this the “Study Area.”

The next step in the process is to review the conditions within the Study Area to determine whether the area is eligible for creating a district. The State Law governing urban renewal sets out the following criteria, at least one of which must be found, for an area to be considered eligible for urban renewal activities:

1. The Presence of a Substantial Number of Deteriorated or Deteriorating Structures and Deterioration of Site or Other Improvements [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]
2. Age or Obsolescence [50-2018(8) and 50-2903(8)(a)]
3. Predominance of Defective or Inadequate Street Layout [50-2018(9) and 50-2903(8)(b)]

4. Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness; Obsolete Platting [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]
5. Insanitary or Unsafe Conditions [50-2018(9) and 50-2903(8)(b)]
6. Diversity of Ownership [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]
7. Tax or Special Assessment Delinquency [50-2018(9) and 50-2903(8)(b)]
8. Defective or Unusual Conditions of Title [50-2018(9) and 50-2903(8)(b)]
9. Results in Economic Underdevelopment of the Area [50-2903(8)(b); 50-2903(8)(c)]
10. Substantially Impairs or Arrests the Sound Growth of a Municipality [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

If the Eligibility Report finds that one or more of the conditions noted above exists within the Study Area, then the Agency may accept the findings and forward the Eligibility Report to the City Council for their consideration. If the City Council concurs with the determination of the Agency, they may direct that an Urban Renewal Plan be developed for the area that addresses the issues raised in the Eligibility Report.

The Agency then acts to prepare the Urban Renewal Plan for the new District and establishing a Revenue Allocation Area to fund improvements called for in the Plan. Once the Plan for the District and Revenue Allocation Area are completed, the Agency Board forwards it to the City Council for their consideration.

The City Council must refer the Urban Renewal Plan to the Planning and Zoning Commission to determine whether the Plan, as presented, is consistent with the City's Comprehensive Plan and make a corresponding finding. At the same time, other taxing entities levying property taxes within the boundaries of the proposed Urban Renewal District are provided a thirty-day opportunity to comment on the Plan to the City Council. While the taxing entities are invited to comment on the Plan, their concurrence is not required for the City Council to proceed with formal consideration.

Based on legislative changes to Idaho Code § 50-2908(2)(a), effective July 1, 2020, the Ada County Highway District (ACHD) is allocated all of the taxes levied by ACHD within a revenue allocation area first formed or expanded to include property on or after July 1, 2020 (including taxes levied on the base and increment values), which would apply to this proposed district, if formed. However, ACHD and MDC may enter into an agreement for a different allocation, which agreement shall be submitted to the State Tax Commission and to the Ada County Clerk by ACHD as soon as practicable after the parties have entered in the agreement and by no later than September 1 of the year in which the agreement takes effect. In the case of the Northern Gateway Study Area, the affected taxing districts for those properties located within the city limits of Meridian are:

- The City of Meridian
- The West Ada School District (School District No. 2)
- Ada County

- Emergency Medical District/Ada County Ambulance
- Mosquito Abatement District
- The Ada County Highway District
- Meridian Library District
- Meridian Cemetery District
- Western Ada Recreation District
- College of Western Idaho

For the parcel located in unincorporated Ada County, the affected taxing districts are:

- The West Ada School District (Joint School District No. 2)
- Ada County
- Emergency Medical District/Ada County Ambulance
- Mosquito Abatement District
- The Ada County Highway District
- Meridian Library District
- Meridian Cemetery District
- Western Ada Recreation District
- College of Western Idaho
- Meridian Fire District
- Pest Extermination District

Once the Planning and Zoning Commission makes their finding of conformity and the thirty-day comment period has passed, the City Council is permitted to hold a public hearing and formally consider the adoption of the Plan creating the new Urban Renewal District and Revenue Allocation Area.

The City Council must also find that the taxable value of the district to be created plus the Base Assessed Value of any existing Urban Renewal / Revenue Allocation Area does not exceed the statutory maximum of 10% of the citywide assessed valuation.

If the City Council, in their discretion chooses to proceed, they will officially adopt the Urban Renewal Plan and Revenue Allocation Area and provide official notification of that action to the affected taxing districts, County Assessor and Idaho State Tax Commission.

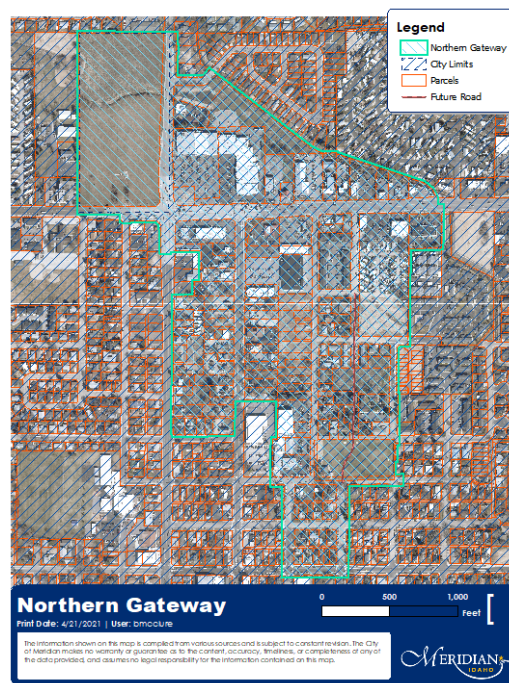
The Agency then proceeds to implement the Plan.

Description of the Northern Gateway Study Area:

The Study Area subject to the current review is generally located in the central part of Meridian, northeast of the City's downtown core, and is generally bounded by Meridian Road on the west to the intersection of Meridian Road and W. Cherry Lane travelling west and E. Fairview Avenue travelling east. The Study Area then includes a large 17.64-acre parcel (Kobe Property) bounded by W. Cherry Lane to the south and Meridian Road to the east. The Study Area also includes the commercial area east of Meridian Road and north of Fairview Avenue. The eastern boundary extends south along NE 5th Avenue and then over to what would be NE 4th Street if extended, and then over to NE 3rd Street. The southern boundary extends to E. Pine Avenue between NE 3rd Street and NE 2nd Street, and then travels up NE 2nd Street and over E. Washington Avenue to connect back to Meridian Road.

The size and value information presented in **Attachment 1** was derived from the Ada County Assessor's on-line parcel information system³. The 2020 taxable value of the portion of the Study Area located in unincorporated Ada County, represents exceptionally low assessed value as compared to the more developed area surrounding it located within the corporate limits of the City of Meridian. Land values in the more developed, commercially zoned areas range from approximately \$5.00 to \$15.00 per square foot. The unincorporated agricultural land reflects a current assessed value of \$.04 per square foot consistent with assessed values assigned to agricultural properties in the broader area. As a comparison, the vacant parcel across Meridian Road within the city limits and zones for commercial purposes has an assessed value of \$8.50 per square foot.

Northern Gateway Urban Renewal Area



The Study Area

The Northern Gateway Study Area consists of one hundred fifty (150) tax parcels located in central Meridian, northeast of the City's downtown core, and generally east of Meridian Road and south of Fairview Avenue. A portion of the Study Area fronts the north side of Fairview Avenue east of Meridian Road and there is a 17.64 acre parcel (Kobe Property)

³ For purposes of this Study, the 2020 taxable values were reviewed as at the time of this review the 2021 value information was not available. Use of the 2020 values provides a more conservative analysis as it is generally understood significant value increases will occur in 2021. Further, based on the adoption of H389, effective retroactive to January 1, 2021, the Homeowner Property Tax Exemption will increase to a maximum of \$125,000. This is anticipated to further reduce the base. Again, as the 2021 tax assessments were not yet available at the time this Study was prepared, the 2020 data has been used. The 10% analysis set forth below will ultimately be revisited in any further urban renewal plan.

located at the northwest corner of Meridian Road and Cherry Lane included as well. The Kobe Property is undeveloped and retains its historic agricultural use. The Kobe Property is currently located in unincorporated Ada County necessitating an inter-governmental agreement between MDC and Ada County to permit its inclusion within the boundaries of any future revenue allocation area. The area contains 105.63 acres in 150 separate tax parcels not including public rights-of-way. The properties within the Study Area carry zoning designations consistent with its historic usage. Commercial zoning designations are in place on 59.55 acres (56.4% of the district). Residential zoning of R-8 and R-15 predominate in the area. One parcel is zoned R-40. Commercial zoning is in place on 104 of the parcels. Residential zoning of R-8 occupies 11.61 acres, R-15 occupies 14.54 acres and R-40 occupies 2.29 acres. Properties designated as residential constitute 26.9% of the total acreage. The balance of the area is zoned Rural Urban Transition (RUT) in unincorporated Ada County. Ada County Assessor records show that 28 of the residential properties reflect a Homeowners Property Tax Exemption indicating they are owner occupied residences.

Nineteen (19) vacant parcels represent 28.75% of the total land area of the Study Area.

Religious and fraternal institutions and governmental entities occupy 13 tax parcels representing 8% of the total.

The Study Area is one of the older developed areas in the community. As noted above, Meridian was established in the 1880s and eventually incorporated as a Village under Idaho law in 1903. Most of the structures constructed as residences date to the first 20 years of the 20th Century and most predate 1960. Many of these residential structures have transitioned into commercial uses over time.

When the improvement value assigned to a parcel is less than or approaches the land value, a deteriorated or deteriorating condition is present. National real estate appraisal standards suggest that in an economically viable property, land value should contribute approximately 30% of the total value leaving 70% to the improvements. As that ratio shifts, with improvement value declining as a proportion of the total, a condition of disinvestment is determined to be present. At a point when the improvement value represents less than 50% of the total (i.e. improvement value is less than land value) such condition represents a “deteriorated condition” for the purposes of this analysis. We have assumed for this Study that those properties with improvement values less than 150% of land value approach the “deteriorated condition” and thus can be classified as “deteriorating” under the definitions in state law. With these benchmarks in mind, we find that 33 properties (20.4%) reflect improvement values less than land values and an additional 23 properties (14.2%) reflect improvement values less than 150% of land values. When considered together, 56 properties representing 34.6% of the total taxable parcels reflect a deteriorated or deteriorating condition.

Streets: Fairview /Cherry Lane, Meridian Road, Main Street and Pine Avenue constitute the backbone of the street network in the Study Area. These streets have received recent investment with their condition reflecting current urban standards. The 17.64-acre Kobe property has not been subdivided to accommodate the vision expressed in the City’s Comprehensive Plan, so no street network has been established in this property which represents the largest single land holding in the Study Area. The 4.0-acre parcel located at the extreme northerly edge of the Study Area has no direct access to a public street and therefore is landlocked. The area south of Fairview reflects a fine-grained grid pattern

common to communities developed in the early 20th century. However, the grid is incomplete in a number of places. For example, NE 3rd Street is interrupted in three places. Similar interruptions can be found on Gruber Avenue, Bradley Avenue and Washington Avenue. Improvement conditions reflecting current City and ACHD standards are in place in parts of the Study Area, but significant portions still lack curb, gutter and sidewalks. Pavement conditions vary from Good to Poor. Sections of East Washington and East Carlton located east of NE 2½ Street appear to provide only half of the street width.

Illumination: Street lighting levels are inconsistent creating a hazard as drivers' eyes must frequently adjust to differing light levels potentially obscuring pedestrians and roadway obstructions. Spacing between standard lighting fixtures varies throughout the Study Area and some arterial sections have smaller-scale decorative lighting in lieu of the standard fixture.

Sidewalks: Pedestrian facilities are incomplete. Even where curb and gutter sections have been installed, sidewalks are often nonexistent. The fine-grained street grid pattern invites movements through the area on foot. Yet, in many situations in the Study Area, pedestrian traffic is forced to walk in the street due to a lack of facilities to accommodate that type of traffic.

Storm Drainage: Those areas without modern curb and gutter sections in place also do not provide a means to collect and dispose of storm drainage or snow melt. This condition allows for surface ponding undermining the integrity of the street surface and obscuring hazards in wet conditions.

Water System: A major portion of the Study Area is served by an 8" pipe grid providing looping for sufficient redundancy in case of a failure of a section of pipe. However, the City's Water System Master Plan notes several locations where 6" pipes remain in place and one location, north of Pine Avenue, on NE 2nd Street is served by a 4" pipe. These 6" and 4" pipes would provide insufficient capacity to support fire flows as the area redevelops as envisioned in the Comprehensive Plan.

Sewage Collection System: No deficiencies in this area were noted.

Analysis of the Study Area:

A review of the Study Area reflects an area in transition. Much of the traditional housing stock has been converted to commercial uses and investment in multi-family structures has occurred in some instances. These investments reflect the vision expressed in the City's Comprehensive Plan. However, many of the residential structures remain in that use suggesting an area in transition. Substantial investment in public infrastructure throughout the entire Study Area will be required to support the achievement of the City's vision. The Kobe property will require investment as it currently has no infrastructure, other than the peripheral arterial streets, to support development consistent with the Comprehensive Plan. Meaningful progress may depend upon some level of public intervention to support the private investment envisioned in the Plan.

For the convenience of the reader, the statutory criteria are reiterated, at least one of which must be found to qualify an area for urban renewal activities. Those conditions are:

1. The Presence of a Substantial Number of Deteriorated or Deteriorating Structures and Deterioration of Site or Other Improvements [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]
2. Age or Obsolescence [50-2018(8) and 50-2903(8)(a)]
3. Predominance of Defective or Inadequate Street Layout [50-2018(9) and 50-2903(8)(b)]
4. Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness; Obsolete Platting [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]
5. Insanitary or Unsafe Conditions [50-2018(9) and 50-2903(8)(b)]
6. Diversity of Ownership [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]
7. Tax or Special Assessment Delinquency [50-2018(9) and 50-2903(8)(b)]
8. Defective or Unusual Conditions of Title [50-2018(9) and 50-2903(8)(b)]
9. Results in Economic Underdevelopment of the Area [50-2903(8)(b); 50-2903(8)(c)]
10. Substantially Impairs or Arrests the Sound Growth of a Municipality [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

Analysis: Northern Gateway

Criterion #1: The Presence of a Substantial Number of Deteriorated or Deteriorating Structures; and Deterioration of Site: We found that 33 properties (20.4%) reflect improvement values less than land values and an additional 23 properties (14.2%) reflect improvement values less than 150% of land values. When considered together, 56 properties representing 34.6% of the total taxable parcels reflect a deteriorated or deteriorating condition. Therefore, criterion #1 is met.

Criterion #2: Age or Obsolescence: Most of the structures within the Study Area date from the first half of the 20th Century. Most were constructed as residential buildings and while many having been converted to office uses, modern requirements for commercial use suggests the converted homes will eventually transition into more up-to-date office/commercial designs. A manufactured home community occupies land along NE 3rd Street that is designated for High Density Residential uses in the Comprehensive Plan. Over 28 acres in the Study Area, which is located in the central part of the City, northeast of the City's downtown core, remains vacant despite the City's articulated vision calling for a significantly more intense development pattern. Therefore, criterion #2 is met.

Criterion #3: Predominance of Defective or Inadequate Street Layout: As noted above, certain streets in the Study Area are interrupted creating breaks in the traditional street grid pattern, which impairs traffic circulation and mobility goals. Several sections do not meet current urban street development standards. Therefore, criterion #3 is met.

Criterion #4: Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness; Obsolete Platting: One 4-acre parcel located north of Fairview Avenue has no direct access to a public right-of-way. The Kobe 17.67-acre parcel has not been subdivided to accommodate the development pattern envisioned in City planning documents. Large vacant parcels south of Fairview interrupt the historic grid pattern of streets. The small residential parcel sizes impair development consistent with the Comprehensive Plan as property assembly would be necessary. Therefore, criterion #4 is met.

Criterion #5: Insanitary or Unsafe Conditions: The lack of a complete system of sidewalks forcing pedestrians into the street creates an unsafe condition. This condition forces vehicles, bicycles and pedestrians to share roadways in an inconsistent manner and impairs multi-modal usages and overall mobility. Inconsistent street lighting patterns contribute to an unsafe driving situation. Therefore, criterion #5 is met.

Criterion #6: Diversity of Ownership: The ownership of the 105.63 acres in the Study Area is in the hands of one hundred fifty (150) entities. Such diversity of ownership creates significant issues with property assemblage necessary to support the goals of the City’s Comprehensive Plan. Therefore, criterion #6 is met.

Criterion #7: Tax or Special Assessment Delinquency: According to Ada County Assessor records, no delinquencies exist. Therefore, criterion #7 is not met.

Criterion #8: Defective or unusual condition of title: No defective or unusual conditions of title are reflected in Ada County records. Therefore, criterion #8 is not met.

Criterion #9: Results in Economic Underdevelopment of the Area: Current uses within the Study Area are inconsistent with the goals set forth in the City’s Comprehensive Plan. Additionally, as set forth above, a significant number of parcels reflect deteriorated or deteriorated conditions showing significant disinvestment in the Study Area. More than Twenty-eight (28.75) vacant acres in the central part of the City, one of the fastest growing communities in the nation, further suggests “Economic Underdevelopment” exists in the Study Area. Therefore, criterion #9 is met.

Criterion #10: Substantially Impairs or Arrests the Sound Growth of a Municipality: The State of Idaho, the City of Meridian and the Ada County Highway District have made substantial investment in the transportation and utility facilities serving this and the surrounding areas. The City of Meridian has expressed its vision for this area in the creation and adoption of the Comprehensive Plan, but without the capacity to provide full public infrastructure, the Study Area will remain an under-utilized area in the midst of the fastest growing area in the State of Idaho. Criterion #10 is met.

Findings: Northern Gateway: Conditions exist within the Study Area to allow the Board of Commissioners of the Meridian Development Corporation and the Meridian City Council to determine that the area is eligible for urban renewal activities as prescribed in State Law.

Summary of Findings

	Criteria	Met	Not Met
1	The Presence of a Substantial Number of Deteriorated or Deteriorating Structures; and Deterioration of Site	X	

2	Age or Obsolescence	X	
3	Predominance of Defective or Inadequate Street Layout	X	
4	Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness; Obsolete Platting	X	
5	Insanitary or Unsafe Conditions	X	
6	Diversity of Ownership	X	
7	Tax or Special Assessment Delinquency		X
8	Defective or unusual condition of title		X
9	Results in Economic Underdevelopment of the Area	X	
10	Substantially Impairs or Arrests the Sound Growth of a Municipality	X	

Analysis: Open Land Conditions: In addition to the eligibility conditions identified above, the geographic area under review also considers the “open land” conditions. Idaho Code Section 50-2903(8)(c) states: “[a]ny area which is predominately⁴ open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section 50-2008(d), Idaho Code, shall apply to open areas.”

The eligibility criteria set forth in Idaho Code Section 50-2903(8)(c) for predominantly open land areas mirror or are the same as those criteria set forth in Idaho Code Sections 50-2018(9) and 50-2903(8)(b). “Diversity of ownership” is the same, while “obsolete platting” appears to be equivalent to “faulty lot layout in relation to size, adequacy, accessibility, or usefulness.” “Deterioration of structures or improvements” is the same or similar to “a substantial number of deteriorated or deteriorating structures” and “deterioration of site or other improvements.” There is also an additional qualification that the provisions of Idaho Code Section 50-2008(d) shall apply to open areas.

Idaho Code Section 50-2008 primarily addresses the urban renewal plan approval process and Idaho Code Section 50-2008(d)(4) sets forth certain conditions and findings for agency acquisition of open land as follows:

the urban renewal plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise: Provided, that if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency, such area shall not be so acquired unless (1) if it is to be developed for residential uses, the local governing body shall determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for

⁴ The statutes governing urban renewal set forth in Title 50, Chapters 20 and 29, Idaho Code, do not provide any guidance as to the definition of “predominantly.” It is assumed for purposes of this Study that predominantly means more than 50% of the Study Area is “open land.” Less than 25% of the parcels within the Study Area could conceivably fall within an open land designation. While the Study Area includes parcels that likely qualify as “open land,” making the findings pursuant to Idaho Code Section 50-2903(8)(c) is not required.

housing accommodations has been or will be increased as a result of the clearance of slums in other areas; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality, or (2) if it is to be developed for nonresidential uses, the local governing body shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in this act, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, 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.

In sum, there is one set of findings if the area of open land is to be acquired and developed for residential uses and a separate set of findings if the land is to be acquired and developed for nonresidential uses.

Basically, open land areas may be acquired by an urban renewal agency and developed for nonresidential uses if such acquisition is necessary to solve various problems, associated with the land or the infrastructure, that have delayed the area's development. These problems include defective or usual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout. All of the stated conditions are included in one form or another in the definition of a deteriorated area and/or a deteriorating area set forth in Idaho Code Sections 50-2903(8)(b) and 50-2018(9). The conditions listed only in 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 conclusion of this discussion concerning open land areas is that the area qualifies if any of the eligibility conditions set forth in Idaho Code Sections 50-2018(9) and 50-2903(8)(b) apply. Alternatively, the area under consideration qualifies if any of the conditions listed only in Idaho Code Section 50-2008(d)(4)(2) apply. The size of some of the parcels, the lack of water and sewer facilities in the undeveloped portion of the Study Area; a nonexistent access and internal street system; an inadequate storm drain system; and lack of fire protection, are all conditions which delay development of the large undeveloped properties in the Study Area.

Based on the above analysis, to the extent the Study Area is "predominantly open land," which is not a defined term, obsolete platting/faulty lot layout and economic underdevelopment are conditions found in the Study Area, and therefore, the open land condition is satisfied.

Other Relevant Issues:

Agricultural Landowners Concurrence:

The statutory provisions concerning the creation of an urban renewal district prohibit inclusion of any land used for an agricultural operation without the express written consent of the property owner. An agricultural operation is broadly defined in Idaho Code § 22-4502(2) and means “an activity or condition that occurs in connection with the production of agricultural products for food, fiber, fuel and other lawful uses...” One method of determining whether there exists an agricultural operation on a parcel is the presence of an agricultural property tax exemption⁵. As of the date of this Eligibility Study, one parcel, the Kobe property, particularly located in the northwest corner of the Study Area, maintains assessed values consistent with other agricultural lands and appears, from a visual inspection, to be an active agricultural operation. As a result, property owner consent is required prior to final consideration of the proposed district’s creation.

CONCLUSION:

Based upon the data and the conditions that exist within the Study Area as noted above, the Meridian Development Corporation Board and Meridian City Council may determine that the Northern Gateway Study Area is eligible for the establishment of an urban renewal district.

10% Analysis: In addition to the findings reported above, verification that the assessed value of the proposed Study Area is within the statutory limits is needed. State Law limits the percentage of values on the combined base assessment rolls that can be included in urban renewal / revenue allocation districts to 10% of the current assessed valuation of all taxable property within the City. According to Ada County Assessor records, the 2020⁶ total certified value for the City of Meridian is \$13,230,528,301 (does not include operating property). This number does not reflect exemptions. Therefore, taking a more conservative approach, the net taxable value for this calculation is used. That number is \$10,375,837,804. As shown in the analysis in Table 1 the current taxable value of the entire Study Area is estimated to be \$68,832,947. This value then must be added to the Base Assessed Values of the Downtown District, the Ten Mile District and the Union District to test for the 10% limitation. Given that at this time the City and MDC are considering the potential creation of an additional urban renewal district (the Linder URD) and an amendment to the Union URD to add additional area pursuant to Idaho Code Section 50-2033, we added their assessed values to this analysis to provide decision makers with the scale of the various districts compared to the statutory limitation. The analysis for these purposes is presented in Table 1, below. The combined base assessment roll values remain well below the statutory limit.

Table 1

Statutory 10% Limitation Analysis
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⁵ With House Bill 560 (2020) effective July 1, 2020, eliminating the property tax exemption for agricultural land and replacing it with a method to value agricultural land, going forward the method to determine the existence of an agricultural operation will change.

⁶ At the time this Study was prepared the 2021 values were not available. It is generally understood the 2021 values will increase; therefore, using the 2020 assessed values may be more conservative than the current conditions.

Area	Taxable Value	Percentage
Total City	\$10,375,837,804	100%
Downtown URD Base Value	\$146,334,050	1.41%
Ten Mile URD	\$ 39,539,125	0.38%
Union URD	\$2,144,360	0.02%
Proposed Northern Gateway URD	\$68,832,974	0.66%
*Proposed Linder URD	\$11,978,500	0.12%
*Proposed Union District Addition (est.)	\$3,414,100	0.03%
Total UR Base Assessed Value Percentage	\$272,243,109	2.62%

*The MDC Board has considered and accepted the proposed Linder District Eligibility Study. The MDC Board is anticipated to consider the eligibility of the proposed Union District Addition in June.

The effect of creating this district on the capacity of the City and MDC to consider future districts should they choose to do so is also explored. The table below shows there is capacity to consider additional districts.

Table 2

Remaining Urban Renewal Capacity		
Maximum 10% Limitation	\$1,037,583,780	10%
Downtown URD	\$146,334,779	1.41%
Ten Mile URD	\$39,539,125	0.38%
Union URD	\$2,144,360	0.02%
Proposed Northern Gateway URD	\$68,832,947	0.66%
Proposed Linder URD	\$11,996,035	0.12%
Proposed Union District Addition (est.)	\$3,414,100	0.03%
Available AV within limitation	\$765,340,671	7.38%

Exhibit B

MERIDIAN DEVELOPMENT CORPORATION
THE URBAN RENEWAL AGENCY OF THE CITY OF MERIDIAN

RESOLUTION NO. 21-026

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF MERIDIAN, IDAHO, A/K/A THE MERIDIAN DEVELOPMENT CORPORATION:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF MERIDIAN, IDAHO, ALSO KNOWN AS THE MERIDIAN DEVELOPMENT CORPORATION, ACCEPTING THAT CERTAIN REPORT ON ELIGIBILITY FOR CERTAIN PROPERTY REFERRED TO AS THE NORTHERN GATEWAY DISTRICT AREA AS AN URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA AND JUSTIFICATION FOR DESIGNATING THE AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE REPORT; AUTHORIZING AND DIRECTING THE CHAIR, VICE-CHAIR OR ADMINISTRATOR TO TRANSMIT THE REPORT AND THIS RESOLUTION TO THE CITY COUNCIL OF THE CITY OF MERIDIAN REQUESTING ITS CONSIDERATION FOR DESIGNATION OF AN URBAN RENEWAL AREA AND SEEKING FURTHER DIRECTION FROM THE COUNCIL; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Meridian, Idaho, also known as the Meridian Development Corporation, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the "Law") and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"), a duly created and functioning urban renewal agency for Meridian, Idaho, hereinafter referred to as the "MDC";

WHEREAS, on July 24, 2001, the City Council (the "City Council") of the City of Meridian, Idaho (the "City"), adopted Resolution No. 01-367 establishing MDC pursuant to the Law;

WHEREAS, on October 8, 2002, the City Council, after notice duly published, conducted a public hearing on the Meridian Revitalization Plan Urban Renewal Project, which is also referred to as the Downtown District (the "Downtown District Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 02-987 on December 3, 2002, approving the Downtown District Plan, making certain findings and establishing the Downtown District revenue allocation area (the "Downtown District Project Area");

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Ten Mile Road Urban Renewal Plan (the "Ten Mile Plan"). The public hearing was continued to June 21, 2016, for further testimony;

WHEREAS, following said public hearings, the City Council adopted its Ordinance No. 16-1695 on June 21, 2016, approving the Ten Mile Plan, making certain findings and establishing the Ten Mile revenue allocation area (the "Ten Mile Project Area");

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the First Amendment to the Meridian Revitalization Plan Urban Renewal Project ("First Amendment to the Downtown District Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 20-1881 on June 9, 2020, approving the First Amendment to the Downtown District Plan deannexing certain parcels and making certain findings (collectively, the Downtown District Plan, and amendments thereto, are referred to as the "Existing Downtown District Plan," and the Downtown District Project Area, and amendments thereto, are referred to as the "Existing Downtown District Project Area");

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Union District Urban Renewal Project (the "Union District Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 20-1882 on June 9, 2020, approving the Union District Plan, making certain findings and establishing the Union District revenue allocation area (the "Union District Project Area");

WHEREAS, the Existing Downtown District Plan, the Ten Mile Plan, and the Union District Plan and their project areas are collectively referred to as the "Existing Project Areas;"

WHEREAS, it has become apparent that additional property, most of which is located within the City, and a portion of which is located within the City's area of operation within unincorporated Ada County, may be deteriorating or deteriorated and should be examined as to whether such an area is eligible for an urban renewal project;

WHEREAS, in 2021, Kushlan | Associates commenced an eligibility study and preparation of an eligibility report for an area 126.226 acres in size, approximately 77 acres of which is currently located within the boundaries of the Existing Downtown

District Project Area, which area is subject to a de-annexation. The area is generally located in the central part of Meridian, northeast of the City's downtown core, and east of Meridian Road and south of Fairview Avenue extending to Pine Avenue between NE 2nd Street and NE 3rd Street, and which area also includes a commercial area east of Meridian Road fronting Fairview Avenue on the north and a 17.64-acre parcel located on the northwest corner of Meridian Road and Cherry Lane. The eligibility study area is commonly referred to as the Northern Gateway District Study Area (the "Study Area");

WHEREAS, MDC has obtained the Northern Gateway Urban Renewal District (Proposed) Eligibility Report, dated May 2021 (the "Report"), a copy of which is attached hereto as **Exhibit A**, which examined the Study Area, which area also included real property located within unincorporated Ada County, for the purpose of determining whether such area was a deteriorating area and/or a deteriorated area as defined by Idaho Code Sections 50-2018(8), (9) and 50-2903(8);

WHEREAS, pursuant to Idaho Code Sections 50-2018(8), (9) and 50-2903(8), which lists the definition of deteriorating area and deteriorated area, many of the conditions necessary to be present in such an area are found in the Study Area;

WHEREAS, the effects of the listed conditions cited in the Report result in economic underdevelopment of the areas, substantially impairs or arrests the sound growth of a municipality, constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare in its present condition or use;

WHEREAS, the Report includes a preliminary analysis concluding the base assessment roll value for the Study Area along with the base assessment rolls for the Existing Project Areas and any proposed revenue allocation areas or amendments thereto, do not exceed 10% of the current assessed valuation of all taxable property within the City;

WHEREAS, under the Act, a deteriorated area includes any area which is predominantly open and which, because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. See Idaho Code § 50-2903(8)(c);

WHEREAS, Idaho Code Sections 50-2018(9), 50-2903(8) and 50-2008(d) list additional conditions applicable to open land areas, including open land areas to be acquired by the Agency;

WHEREAS, the Study Area is not "predominantly" open; however, the Report addresses the necessary findings concerning including open land within any urban renewal area as defined in Idaho Code Sections 50-2018(9), 50-2903(8)(c), and 50-2008(d);

WHEREAS, under the Law and Act, Idaho Code Sections 50-2903(8)(f) and 50-2018(8) and (9), the definition of a deteriorating area shall not apply to any agricultural operation as defined in Section 22-4502(2), Idaho Code, absent the consent of the owner of the agricultural operation except for an agricultural operation that has not been used for three (3) consecutive years;

WHEREAS, the Report includes a parcel subject to such consent. While the necessary consent has not been obtained, the consent shall be obtained prior to City Council consideration of any urban renewal plan;

WHEREAS, Idaho Code Section 50-2018(18) provides that an urban renewal agency cannot exercise jurisdiction over any area outside the city limits without the approval of the other city or county declaring the need for an urban renewal plan for the proposed area;

WHEREAS, the portion of the Study Area lying outside the City limits and within unincorporated Ada County includes a parcel which is anticipated to proceed through the formal annexation process of the City;

WHEREAS, though a portion of the Study Area lies outside the City limits, because that parcel is anticipated to proceed through the voluntary annexation process, no formal resolution from Ada County, Idaho, has been requested. In the event annexation of that parcel has not been obtained by the time the City Council considers approval of a new urban renewal plan, it is anticipated the City would seek to obtain an agreement with Ada County, Idaho, as required by Idaho Code Section 50-2906(3);

WHEREAS, pursuant to Idaho Code Section 50-2008, an urban renewal project may not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or deteriorating area, or combination thereof, and designated such area as appropriate for an urban renewal project;

WHEREAS, Idaho Code Section 50-2906, also requires that in order to adopt an urban renewal plan containing a revenue allocation financing provision, the local governing body must make a finding or determination that the area included in such plan is a deteriorated area or deteriorating area;

WHEREAS, the MDC Board finds it in the best public interest to accept the Report.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF MERIDIAN, IDAHO, AS FOLLOWS:

Section 1. That the above statements are true and correct.

Section 2. That the MDC Board acknowledges acceptance and receipt of the Report, attached hereto as **Exhibit A**, recognizing technical changes or corrections which may be required before transmittal to the City Council for its consideration.

Section 3. That there are one or more areas within the City and within unincorporated Ada County that are a deteriorating area or a deteriorated area as defined by Idaho Code Sections 50-2018(8), (9) and 50-2903(8).

Section 4. That one such area is 126.226 acres in size, approximately 77 acres of which is currently located within the boundaries of the Downtown District, which area is subject to a de-annexation, and is commonly referred to as the Northern Gateway District Study Area, as more fully described in the Report. The area studied consists of both properties located within the City limits as well as within the area of City impact, in unincorporated Ada County, however, the parcel within unincorporated Ada County is anticipated to proceed shortly through the formal annexation process of the City.

Section 5. That the rehabilitation, conservation, and redevelopment, or a combination thereof, of such area is necessary in the interest of the public health, safety, and welfare of the residents of the City.

Section 6. That the Chair or Vice-Chair of the MDC Board of Commissioners, or the Administrator, are hereby authorized to transmit the Report to the Meridian City Council requesting that the City Council:

- a. Determine whether the Study Area identified in the Report qualifies as an urban renewal project and there is justification for designating the area, as appropriate, for an urban renewal project;
- b. If such designation is made, whether MDC should proceed with the preparation of an urban renewal plan for the area, which plan may include a revenue allocation provision as allowed by law;
- c. Coordinate with MDC to obtain the required agricultural consent from the property owner.

Section 7. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of the City of Meridian, Idaho, also known as the Meridian Development Corporation, on June 9, 2021. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on June 9, 2021.

APPROVED:

By  _____
Chair of the Board

ATTEST:

By  _____
Secretary