

AGENDA REPORT

Agenda Subject: Request by the Bonner County Ambulance District to withdraw from the Northern Urban Renewal Plan and Revenue Allocation Area and the Downtown Urban Renewal Plan and Revenue Allocation Area		Date: June 9, 2025
Agency Contacts: Eric Paull, Agency Board Chair Melissa Ward, Agency Clerk	Attachments: <ol style="list-style-type: none">1. Accounting from Bonner County2. Bonner County Ambulance District Resolution No. 2025-013. Bonner County Ambulance District Resolution No. 2025-54. Information Regarding Agency Indebtedness	
Actions Requested: <ol style="list-style-type: none">1. Consider Bonner County Ambulance District Request to Withdraw from the Northern District.2. Consider Bonner County Ambulance District Request to Withdraw from the Downtown District.		

Background:

During the 2025 legislative session, the legislature approved, and the Governor signed, House Bill 436 (HB 436). The bill included retroactive application to January 1, 2025. The bill addresses several issues, including the ability of a fire district¹ and ambulance service district to withdraw from the revenue allocation financing provisions under an urban renewal plan established by a city council ordinance approving an urban renewal plan prior to July 1, 2025. The bill sets forth a specific process for a fire district and/or ambulance service district to apply for such a withdrawal. Excerpting from House Bill 436:

By May 1, the fire district and ambulance service district must request an accounting from the county showing the amount of revenue allocation proceeds attributable to the fire district or ambulance service district as of December 31 of the prior year. The county then is required to submit the accounting to the fire district, ambulance service district and the urban renewal agency within 15 days of receipt of the request. The fire district and ambulance service district must then adopt a formal resolution by June 1 expressing its intent to withdraw and send the resolution to the urban renewal agency. The agency shall then schedule a special meeting within ten business days of receipt of the resolution from the fire district and the ambulance service district.

¹ Fire District inclusion is mentioned here but only the Bonner County Ambulance District request is under consideration.

The Urban Renewal Agency for the City of Sandpoint, Idaho (Agency) timely received the accounting information from Bonner County and the Bonner County Ambulance District's (EMS) resolutions requesting withdrawal from the Agency's two (2) revenue allocation areas.

Attached to this Agenda Bill:

- The accounting from Bonner County
- Bonner County Ambulance District Resolution No. 2025-01
- Bonner County Ambulance District Resolution No. 2025-5
- Information Regarding Agency Indebtedness

The meeting on June 9, 2025, will address the request from EMS. The Agency Board may decide to accept the withdrawal request; in which case the Board will come back in a special meeting to adopt a formal resolution allowing for withdrawal. In that instance, the Agency resolution and the resolution from EMS will be transmitted to the county clerk, county recorder, and the state tax commission prior to the fourth Monday of July. Conversely the Board may deny the request to withdraw in writing due to "outstanding bonds, contractual obligations or other indebtedness being funded by the district's revenue allocation proceeds, and setting forth specific information about the indebtedness." HB 436 provides some additional guidance as to how the Agency should analyze the withdrawal request determining whether the Agency's obligations are greater than the revenue allocation proceeds attributable to EMS. The Statement of Purpose for HB 436 states as follows:

" . . . it allows a fire district or ambulance service district within a URD opt out of an existing urban renewal revenue allocation area, provided that there is no existing indebtedness or other financial obligations."

Indebtedness and Obligations:

Below is a summary evidencing several obligations of the Agency by revenue allocation area and the amounts committed by the Agency for payment.

Downtown District

On September 7, 2018, the Agency issued a \$1,500,000 revenue allocation note, with an interest rate of 3.63% per annum. The purpose of the note is for the acquisition, construction and installation of public improvements within the Downtwon District. The note, which requires semi-annual payments of approximately \$83,378 including interest, required an initial payment beginning on March 15, 2019, and matures on September 15, 2029. The current balance on the note is \$686,635.48.

There is also a Note payable to the City of Sandpoint. The Agency and the City have entered into an informal agreement in which certain large community development projects are initially funded by the City and will be repaid by the Agency as future property taxes are collected. The informal agreement does not contain a specific repayment schedule. As of September 30, 2024, the balance on the note is \$572,528.

Northern District

The Agency has several reimbursement obligations in the Northern District.

The annual amount of reimbursement for each obligation is set forth below:

- Schweitzer Ranch - \$25,000.00
- Milltown - \$33,333.00
- Milltown public improvements – \$18,433.00

Fiscal Notes:

The information provided by Bonner County provides an estimate of the budget capacity increase to the Bonner County Ambulance District should the Agency accept the requests for withdrawal from the Downtown District and the Northern District. The estimated potential budget capacity increase to the Bonner County Ambulance District from each revenue allocation area is:

- Downtown District: \$22,993.19
- Northern District: \$8,194.28

The accounting does not include an analysis of the impact of withdrawal on the Agency's budget; however, that information can be calculated from the information provided by the County. The effect of the Bonner County Ambulance District's withdrawal on each revenue allocation area is:

- Downtown District: $\$187,589,431 \times .00015911 = \$29,847.35$
- Northern District: $\$87,915,091 \times .00015911 = \$13,988.17$

Recommendation:

Based on this information, two motions have been prepared for each revenue allocation area as stated below. One motion denies the withdrawal request, authorizing the Chair to provide written notice to EMS concluding the Agency has contractual obligations or other indebtedness being funded by the district's revenue allocation proceeds greater than the revenue allocation proceeds attributable to EMS. The second motion grants the withdrawal and authorizes the scheduling of a special meeting to consider a resolution approving the resolution.

Downtown District

Suggested Motion:

I move to deny the withdrawal request by the Bonner County Ambulance District for the Downtown District revenue allocation area as the Agency's obligations funded by revenue allocation proceeds exceed the amount of revenue allocation attributable to Bonner County Ambulance District and authorize the Chairman to provide written notice to the Bonner County Ambulance District citing the Agency's obligations and the action of the Board on this date.

Alternatively:

I move to accept the withdrawal application filed by the Bonner County Ambulance District for the Downtown District revenue allocation area and direct the Chair and staff to prepare a resolution accepting the withdrawal and schedule a special meeting of the Board to consider the resolution.

Northern District**Suggested Motion:**

I move to deny the withdrawal request by the Bonner County Ambulance District for the Northern District revenue allocation area as the Agency's obligations funded by revenue allocation proceeds exceed the amount of revenue allocation attributable to Bonner County Ambulance District and authorize the Chairman to provide written notice to the Bonner County Ambulance District citing the Agency's obligations and the action of the Board on this date.

Alternatively:

I move to accept the withdrawal application filed by the Bonner County Ambulance District for the Northern District revenue allocation area and direct the Chair and staff to prepare a resolution accepting the withdrawal and schedule a special meeting of the Board to consider the resolution.