2010 ANNUAL REPORT
GARDEN CITY URBAN RENEWAL AGENCY

Under the Idaho Urban Renewal Law, an urban renewal agency is required to file with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include a complete financial statement setting forth its assets, liabilities, income and operating expense at the end of the calendar year. By virtue of certain amendments to the Idaho Urban Renewal Law adopted in 2002, the fiscal year of an urban renewal agency has been established as October 1st through September 30th. Consequently, any formal financial statement would be limited to a report through the end of the Agency's fiscal year. Under Idaho Code section 67-450B, all local government entities must complete an audit of its statements at the conclusion of its fiscal year. A copy of the Agency's 2010 audited financial statements is attached. Also attached is a FY2010 Income Statement and Balance Sheet for the Agency.

The Garden City Council formally approved the RiverFront Urban Renewal Plan in December of 1996 through Ordinance No. 681, with a follow up approval of Ordinance No. 683 on January 15, 1997 to correct a 'technical error" in Ordinance No. 681. Since that approval, the Urban Renewal Agency has commenced with the implementation of the Plan.

In 2007, the Agency began considering updating the River Front Plan to (1) recognize changes in the Idaho Urban Renewal Law and the Economic Development Act adopted by the state legislature since 1996, (2) update the Agency's activities, and (3) provide projections of Agency activities through 2013. In January 2008, the Agency authorized the examination of property owned by the City of Garden City to determine whether such property would be eligible for inclusion within the River Front Plan area. On March 3, 2008, the Agency recommended approval of the Amended and Restated River Front Plan and forwarded the plan to the City Council for its consideration. On April 14, 2008, the City Council adopted Ordinance No. 888-08 approving the Amended and Restated River Front Plan. Ordinance No. 88-08 became effective upon publication on April 17, 2008. The Agency continues to implement the Amended and Restated River Front Plan.

REVENUES

Tax Increment Revenue

The only source of Agency income, other than interest on interest bearing accounts, which equated to $4657 in FY2010, is Tax Increment Revenue generated within the urban renewal area. In FY2010, the total Tax Increment Revenue received by the Agency was $839,193.

EXPENDITURES

Leverage of Agency Dollars

An integral component of the Agency's program is to develop outside funding sources to leverage Agency dollars for improvements within the urban renewal area. The Agency has shared costs with Ada County Highway District ("ACHD") for street improvements, including curbs, gutters and sidewalks. Under this cost sharing program, $1,531,835 in street improvements have been completed since FY2000, a total of $666,748 funded by the Agency and the remainder by ACHD.

Street improvements under this program now include:

- 42nd Street (Adams to the river)
- 48th Street (Adams to the river)
- 49th Street (Adams to the river)
- 50th Street (Alworth to the river)
- 51st Street (Alworth to the river)
- 42nd Street (Adams to Chinden)

The Agency did not participate in any street improvements in FY2010 or participate in any other projects with outside agencies.

Review and Approve Requests for Agency Funding of Projects

The Agency continues to seek, review and approve funding, where appropriate, for other projects that positively impact the urban renewal area and its residents. During FY2010, $642,941 in funding was provided for the following major infrastructure projects:

- Well #13 Rehabilitation. Well #13, located off Adams Street on 42nd Street, provides the majority of water to the urban renewal area. This is one of the original wells in Garden City and it was badly in need of major rehabilitation in order to provide adequate flows for fire protection and to provide additional water for future development and redevelopment efforts. The Agency approved funding of the rehabilitation project in the total amount of $580,068; $90,094 of the project was funded in FY2009 with the balance of $489,974 funded in FY2010.

- Water Meter Replacements. The City completed a Capital Improvement Plan in 2008 and one of the key findings was a large volume of unaccounted for water usage in the older parts of the city, particularly in the urban renewal area. This resulted in a significant loss of income to the city for water and sewer service, increasing the cost of wastewater treatment for all citizens. To correct this problem, the Agency approved funding of $258,000 for replacement and upgrading of water meters in the urban renewal area to radio read units. A Total of $105,032 was funded in FY2009, with the balance of $152,967 funded in FY2010.

In addition to the above, the Agency funded approximately $50,000 on other public works projects to benefit the urban renewal area, including planning and design projects for water and sewer line replacements for Bills, Ray and Teena streets; Adams Street from 43rd to 48th Street; and the 42nd & Adams intersection lines.

OPERATING EXPENSES

The Agency has minimal operating expenses as it has no paid staff members, utilizing outside secretarial and bookkeeping services. Total operating expenses, including secretarial, bookkeeping, audit, legal, consulting, liability insurance and other office expenses, amounted to $14,896.81 in FY2010, approximately 2% of total Agency expenditures.

ASSETS

The Agency's Assets are comprised solely of cash accounts and property taxes receivable. The major portions of property taxes are received twice per year (end of January and end of July) with smaller amounts of delinquent taxes received during the course of the year.

LIABILITIES AND DEBT

The Agency's liabilities consist only of current accounts payable and deferred revenue. The Agency has no long-term debt and, at this time, has no plans to incur such debt.

SIGNIFICANT CHANGES IN AGENCY'S FINANCIAL POSITION

There were no significant changes in the Agency's financial position in FY2010. The Agency continues to operate in a "pay-as-you-go" environment, committing only those funds to projects that do not require long-term debt but, rather, can be funded out of current funds or projected tax increment revenues in a given fiscal year.

The Agency is, to a degree, dependent upon other public agencies, such as the ACHD, as to what projects can be funded and implemented within a specific timeframe. The Agency does not have the ability to initiate and construct, for instance, street improvement projects, on its own. For this reason, the Agency works closely with agencies or the city government, such as ACHD or the City of Garden City, to develop and fund projects that are of benefit to the residents and businesses within the urban renewal area.

Pamela J. Beaumont
Chair
March 21, 2010