

**ECONOMIC FEASIBILITY STUDY**  
**RIVER DISTRICT URBAN RENEWAL AREA**

**Prepared For**

**THE LAKE CITY DEVELOPMENT CORPORATION  
OF THE CITY OF COUER d'ALENE**

**Prepared By**

**KEYSER MARSTON ASSOCIATES, INC.**

**September 26, 2003**

# ECONOMIC FEASIBILITY STUDY OF THE RIVER DISTRICT URBAN RENEWAL AREA

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Idaho State Code 50-2905 provides that the urban renewal agency of the municipality shall prepare and adopt a plan for the proposed revenue allocation area and submit the plan and recommendation for approval thereof to the local governing body. The plan shall include an economic feasibility study. The following represents such a study for the River District Urban Renewal Area (the URD) proposed for the Lake City Development Corporation (LCDC).

Economic feasibility, for purposes of this analysis, will be defined as a comparative analysis of one potential scenario of anticipated costs for implementation of the Plan to the resulting revenues expected to be generated by the URD. Idaho State Code 50-2904 provides that the Plan shall have a duration not to exceed 24 years from the adoption date. The duration of the revenue allocation financing provision may be extended beyond this 24-year limit in order to repay outstanding bond debt, provided such bond maturity is not greater than 30 years.

This section contains a general discussion of overriding general assumptions, the costs associated with the anticipated urban renewal program and an evaluation of the general financing methods that may be available to the LCDC. Economic feasibility is determined through a summarized feasibility cash flow analysis for the URD as summarized on Table 1.

## A. GENERAL ASSUMPTIONS

### 1. Economic Feasibility Cash Flow

The economic feasibility cash flow has been created to identify the amount of discretionary resources available to fund the urban renewal projects, programs and activities identified by LCDC staff. A series of cash flow iterations was then prepared to ensure that annual expenditures did not exceed annual resources. To determine the annual resources available, the following assumptions were incorporated in the Table 1 cash flow projection:

- a. The revenue sources identified for the URD include tax increment revenue, assumed Owner Participation Agreement loans and interest earnings. No other funding sources have been identified or assumed for purposes of this feasibility study reflected herein.
- b. To the extent projected, any subsequent year shortfall is assumed to be funded from anticipated capital acquisition financing options that are available to the LCDC. These options can include developer advances, private bank or government loans, tax allocation bonds or other funding resources legally available to LCDC. Projected resources are carried forward into the subsequent year in order to ensure that adequate funding is available for future expenditures.

- c. Operations, loan debt service and capital improvement expenditures detailed on Table 3 present one scenario of economic feasibility of the URD.
- d. Owner Participation Agreement loans are assumed to be the primary financing resource for the URD. The LCDC has entered into similar agreements in the Lake District URD.

## **2. Tax Increment Projection**

The economic feasibility study presents a long range cash flow analysis incorporating a projection of tax increment revenue for the URD. The following assumptions were incorporated in the tax increment revenue projection shown on Table 2:

- a. Future URD values projected on Table 2 are based upon current year assessed values aggregated by LCDC staff.
- b. Future real property (land and improvement) values annually increase as a result of the new developments provided by LCDC staff. The new development value added assumptions are summarized on Table 4.
- c. Additional trended value growth assumptions have been incorporated in the Table 2 projection to reflect future inflationary increases, transfers of ownership or other construction activities that may occur in the URD. The annual percentage increase is assumed to be 3% per year.
- d. An annual statutory allocation to school districts is assumed to equal 0.3% of tax increment revenues.
- e. Pursuant to Idaho State Code 2903, the base assessment roll of revenue allocation area or areas shall not exceed at any time ten percent (10%) of the current assessed valuation of all taxable property within the municipality. This is assumed to be the case for the purposes of the Table 1 projection.

## **B. ESTIMATED TOTAL PROJECT COSTS**

A determination of economic feasibility requires an identification of the potential costs associated with urban renewal of the URD. Urban renewal could require significant participation from the LCDC in activities to promote and achieve the goals and objectives of the Plan and to address blighting conditions. The proposed activities and programs of the URD have been prepared by LCDC staff and include operational expenses and proposed capital improvement projects, programs and activities.

The economic feasibility cash flow presented on Table 1 combines the projected annual resources (tax increment, OPA loans and interest earnings) with the annual expenditures assumed by the LCDC. To the extent other funding resources become available in future fiscal years once the URD is implemented, funding of additional URD expenditures not currently assumed in the Table 1 cash flow will be feasible.

The urban renewal program described in this Report outlines a set of activities to be implemented by the LCDC for the purpose of facilitating private reinvestment in the URD and eliminating physical and economic blighting influences. The estimated costs of the proposed urban renewal programs over the life of the Plan are as follows:

OPA Loan Repayment	\$5,923,000
Operations	5,171,000
Capital Projects	6,320,000
Capital Acquisition Financing Repayment	<u>649,000</u>
Totals Projected Costs	\$18,063,000

**1. OPA Loan Repayment**

The LCDC may consider funding alternatives to finance the anticipated capital projects assumed herein, including the securing of developer loan advances set forth in Owner Participation Agreements. Under such OPA terms, the LCDC might utilize annual tax increment revenues generated from site-specific developments identified in the OPA to secure the repayment of any loan advanced by developer to cover capital project costs. The inclusion of OPA loans does not mean that the LCDC has already entered into such agreements, but that the feasibility of the URD could be achieved if such funding were to become available.

Under the economic feasibility scenario shown on Table 1, the LCDC would secure a developer loan or advance concurrent with the expenditure of capital costs associated with the development. The combined loan principal assumed under the given scenario shown on Table 1 totals \$5,066,000 over the 24-year effectiveness period. The aggregate loan repayment from site-specific tax increment on a pay-as-you go basis over the 24 year

effectiveness period totals \$5,923,000 (based upon an assumed interest rate of 5% as detailed on Table 5).

## **2. Operations**

Operations represent the anticipated expenditures for LCDC overhead expenses including staff salaries, operations and management, services and supplies and the administration of the Public Art Share set aside. An annual cost of living inflationary adjustment of 3% per year has been assumed for the operations cost detailed on Table 3. Total projected funding for operational expenses under the Table 1 feasibility scenario is projected to total \$5,171,000 over the 24-year term of the effectiveness of the Plan.

## **3. Capital Improvements**

Capital project improvements proposed for the URD include costs that are assumed to be funded from OPA developer loans as well as pay-as-you-go project costs not funded from an agreement. Capital project costs summarized on Table 3 are based upon information provided by LCDC staff. Implementation of any capital improvements desired by the LCDC will be subject to the annual availability of funds. The Table 1 economic feasibility analysis portrays one scenario of funding, estimated to total \$6,320,000.

## **C. FINANCING METHODS AVAILABLE TO THE LCDC**

The Plan is prepared with the intent of providing the LCDC with the necessary legal authority and flexibility to implement the revitalization of the URD. The Plan authorizes the LCDC to finance the URD with financial assistance from any or all sources allowed under Idaho State law. A discussion of potential other funding sources is presented in this section.

The LCDC is granted authority to create indebtedness, issue bonds, borrow funds or obtain advances in implementing and carrying out the specific intents of an urban renewal plan. The LCDC is authorized to fund the principal and interest on the indebtedness, bond issues, borrowed funds or advances from tax increment revenue and any other funds available to the LCDC. To the extent that it is able to do so, the City may also supply additional assistance through City loans or grants for various public facilities or other project costs.

Potential revenue sources to fund project costs, as assumed in this economic feasibility cash flow, include tax increment revenues, developer loans and interest earnings. The estimated resources available to finance the anticipated urban renewal programs are summarized as follows:

Tax Increment Revenue	\$57,615,000
OPA Developer Loans	5,066,000
Interest Earnings	11,196,000
Capital Acquisition Financing	<u>557,000</u>
Total Projected Resources	\$74,434,000

**1. Tax Increment Revenues**

A summary of the projection of the incremental taxable values and resulting tax increment revenues for the URD over the term of the Plan is shown on Table 2. The total gross tax increment revenues for the URD over the 24-year Plan life amounts to nearly \$71.5 million, of which \$13.9 million would be allocated to school districts. The net tax increment revenue available to the LCDC over the 24-year Plan life totals \$57.6 million.

Tax increment revenues are based upon increases in the annual incremental assessed valuation of the URD which result from future new construction activities identified by LCDC staff. An annual 3% real property value increase is assumed in the Table 2 projection.

**2. OPA Developer Loans**

The LCDC may pledge tax increment revenues to secure the principal and interest payments of developer loans advanced to the LCDC under an Owner Participation Agreement. As discussed previously, the LCDC would secure a developer loan or advance concurrent with the expenditure of capital costs associated with the development. The combined loan principal assumed under the scenario shown on Table 1 totals \$5,066,000.

**3. Interest Earnings**

The LCDC may receive interest earnings generated from funds on deposit in reserve funds, project operating funds and other special funds established for the URD. Interest earnings are based upon an assumed 3% rate and are applied to the balances available in the respective funds.

**4. Potential Funding Sources**

Although not assumed or incorporated in the Table 1 feasibility study, the LCDC

may consider other potential funding sources allowable under the law to finance the anticipated urban renewal programs discussed above. The following funding sources may be available in subsequent fiscal years to the URD:

- a. Local Improvement Districts (LID) – Once created, the revenues generated from the LID special assessment may be used to secure bonded indebtedness to fund capital improvements.
- b. Business Improvement District (BID) – Once created, the revenues generated from the BID special assessments may be used to secure bonded indebtedness to fund capital improvements or to fund business promotion activities on a pay as you go basis.
- c. Historic Tax Credits – To the extent applicable, investment tax credits of up to 20% of qualifying development costs may be taken by private developers towards the renovation of designated historic properties.
- d. SBA 504 Program – The program may be used as a means of reducing interest rates and limiting equity participation for land, building costs, equipment and lease hold improvements by the sale of reduced interest debentures.
- e. Certificates of Participation (COP) – Financing of public facilities can occur when a third party constructs the public project and then leases the facility to a public entity. The lease income secures repayment of the COP.
- f. HOME Program – HOME funds are used to fund various housing programs, rehabilitation, new construction, rent subsidy and other special housing needs programs.
- g. Community Development Block Grant (CDBG) – CDBG funds are administered through the Department of Housing and Urban Development and are allocated to assist eligible activities of the LCDC.
- h. Surface Transportation Program – Authorized under the Intermodal Surface Transportation Efficiency Act, this program is intended to fund eligible projects, which will enhance air quality and ease traffic congestion.
- i. Developer Contributions – Developers may be required to make a one time

contribution to fund related capital costs. Typically, such contributions are determined by a formula established by the City and the contributions can be applied towards any legal purposes of the LCDC.

- j. Long Term Ground Lease – Lease income generated by long term ground leases of LCDC owned properties are a potential means to allow such properties to be developed. The lease amounts are based on an agreed upon formula that typically includes a base rate with increases based upon development performance.

#### **D. ECONOMIC FEASIBILITY**

The anticipated costs to implement a program of revitalization in the URD will require significant participation from the LCDC as it implements activities, which promote and achieve the goals and objectives of the Plan. Economic feasibility of the Plan has been determined based upon a comparative cash flow analysis of the anticipated costs for implementation of the proposed urban renewal program to the resulting projected resources expected to be generated over the life of the URD.

The economic feasibility summarized on Table 1 was created to represent one scenario of economic feasibility. At the discretion of the LCDC, other funding sources discussed above may present viable funding alternatives for economic feasibility of the Plan. Although the LCDC may consider other funding sources permitted in the Plan, not all of the funding sources may be available or be feasible for the LCDC to use in financing the anticipated costs.

#### **E. LIMITING CONDITIONS TO PROJECTIONS AND CONCLUSIONS**

Keyser Marston Associates, Inc. (KMA) has made extensive efforts to confirm the accuracy and timeliness of the information contained in this report. Such information was primarily provided by LCDC staff. Although KMA believes all information in this document is correct, it does not guarantee the accuracy of such and assumes no responsibility for inaccuracies in the information provided by staff. Further, no guarantee is made as to the possible effect on development of current or future federal, state, or local legislation including environmental or ecological matters.

1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government and other third parties. While KMA believes that these sources are reliable, we cannot guarantee the accuracy of such



- data and assumes no responsibility for any inaccuracies in the information provided by third parties.
2. The analysis assumes that neither the local nor national economy will experience a recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.
  3. The new development concept will not vary significantly from that identified in this analysis.
  4. Any estimates of development costs, income and expense projections are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to reflect actual commitments guaranteed by LCDC for future implementation. No warranty or representation is made that any of the estimates or projections will actually materialize.

The accompanying projections and analyses are based on estimates and assumptions which were developed using currently available economic data, project specific data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize and unanticipated events and circumstances may occur. Such changes are likely to be material to the projections and conclusions herein and, if they occur, will differ from the projections shown.

**Table 1**  
**Economic Feasibility Cash Flow**  
**River District Proposed Project**  
**Lake City Development Corporation**  
**of the City of Coeur d'Alene**  
**(000's Omitted)**

**Mill River at 75% of Developer Projection**

	Plan Year:	0	1	2	3	4	5	6	7	8	9	10	11	12
		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>I. Resources:</b>														
Beginning Balance		0	0	0	0	0	0	0	(1)	273	1,338	2,984	5,440	8,052
Net Tax Increment (Table 2)		0	5	241	275	951	1,784	1,828	1,906	2,119	2,432	2,600	2,663	2,726
OPA Developer Loans (Table 3)		0	385	1,155	3,527	0	0	0	0	0	0	0	0	0
Interest Earnings at 3%		0	0	0	0	0	0	0	0	8	40	90	163	242
<b>Total Projected Resources</b>		<b>0</b>	<b>390</b>	<b>1,395</b>	<b>3,801</b>	<b>951</b>	<b>1,784</b>	<b>1,828</b>	<b>1,906</b>	<b>2,400</b>	<b>3,810</b>	<b>5,674</b>	<b>8,266</b>	<b>11,019</b>
<b>II. Expenditures:</b>														
OPA Loan Repayments (Table 5)		0	0	211	237	815	1,508	996	743	760	627	25	0	0
Operations (Table 3)		0	100	110	114	138	166	171	177	187	200	208	214	220
Other Obligations (Table 3)		0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Projects (Table 3)		0	385	1,155	3,527	0	413	506	220	116	0	0	0	0
<b>Total Projected Expenditures</b>		<b>0</b>	<b>485</b>	<b>1,475</b>	<b>3,878</b>	<b>953</b>	<b>2,087</b>	<b>1,673</b>	<b>1,140</b>	<b>1,062</b>	<b>827</b>	<b>233</b>	<b>214</b>	<b>220</b>
<b>III. Net Gain/ (Shortfall)</b>														
Capital Acquisition Financing (1)		0	(95)	(80)	(76)	(2)	(303)	155	766	1,338	2,984	5,440	8,052	10,799
Financing Repayment (100% of Net Available)		0	95	80	76	2	303	0	0	0	0	0	0	0
<b>Ending Balance</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>273</b>	<b>1,338</b>	<b>2,984</b>	<b>5,440</b>	<b>8,052</b>	<b>10,799</b>

(1) OPA's, Institutional borrowings, developer advances, etc.

**Table 1**  
**Economic Feasibility Cash Flow**  
**River District Proposed Project**  
**Lake City Development Corporation**  
**of the City of Coeur d'Alene**  
**(000's Omitted)**

**Mill River at 75% of Developer Projection**

	Plan Year:	13	14	15	16	17	18	19	20	21	22	23	24	Plan Termination	Memo Total
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28		
<b>I. Resources:</b>															
Beginning Balance		10,799	13,687	16,720	19,906	23,248	26,753	30,427	34,275	38,305	42,523	46,935	51,549		
Net Tax Increment (Table 2)		2,790	2,856	2,923	2,991	3,060	3,130	3,202	3,275	3,350	3,425	3,503	3,581		57,615
OPA Developer Loans (Table 3)		0	0	0	0	0	0	0	0	0	0	0	0		5,066
Interest Earnings at 3%		324	411	502	597	697	803	913	1,028	1,149	1,276	1,408	1,546		11,196
<b>Total Projected Resources</b>		<b>13,913</b>	<b>16,953</b>	<b>20,144</b>	<b>23,493</b>	<b>27,005</b>	<b>30,686</b>	<b>34,542</b>	<b>38,579</b>	<b>42,804</b>	<b>47,224</b>	<b>51,846</b>	<b>56,677</b>		
<b>II. Expenditures:</b>															
OPA Loan Repayments (Table 5)		0	0	0	0	0	0	0	0	0	0	0	0		5,923
Operations (Table 3)		226	233	239	246	252	259	266	274	281	289	297	305		5,171
Other Obligations (Table 3)		0	0	0	0	0	0	0	0	0	0	0	0		0
Capital Projects (Table 3)		0	0	0	0	0	0	0	0	0	0	0	0		6,320
<b>Total Projected Expenditures</b>		<b>226</b>	<b>233</b>	<b>239</b>	<b>246</b>	<b>252</b>	<b>259</b>	<b>266</b>	<b>274</b>	<b>281</b>	<b>289</b>	<b>297</b>	<b>305</b>		
<b>III. Net Gain/ (Shortfall)</b>															
		13,687	16,720	19,906	23,248	26,753	30,427	34,275	38,305	42,523	46,935	51,549	56,372		
Capital Acquisition Financing (1)		0	0	0	0	0	0	0	0	0	0	0	0		557
Financing Repayment (100% of Net Available)		0	0	0	0	0	0	0	0	0	0	0	0		(649)
<b>Ending Balance</b>		<b>13,687</b>	<b>16,720</b>	<b>19,906</b>	<b>23,248</b>	<b>26,753</b>	<b>30,427</b>	<b>34,275</b>	<b>38,305</b>	<b>42,523</b>	<b>46,935</b>	<b>51,549</b>	<b>56,372</b>		

(1) OPA's, Institutional borrowings, developer advances, etc.

**Table 2**  
**Tax Increment Projection**  
**River District Proposed Project**  
**Lake City Development Corporation**  
**of the City of Coeur d'Alene**  
**(000's Omitted)**

**Mill River at 75% of Developer Projection**

	0	1	2	3	4	5	6	7	8	9	10	11	12
	Base												
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>I. Real Property</b>	11,600	11,948	12,307	29,377	32,003	81,873	144,066	148,388	155,287	172,503	197,592	211,986	218,346
Valuation Growth at 3%	348	358	369	881	960	2,456	4,322	4,452	4,659	5,175	5,928	6,360	6,550
New Development Value (Table 4)	0	0	16,701	1,744	48,910	59,737	0	2,447	12,557	19,914	8,467	0	0
Total Real Property	11,948	12,307	29,377	32,003	81,873	144,066	148,388	155,287	172,503	197,592	211,986	218,346	224,896
<b>II. Total Project Value</b>	11,948	12,307	29,377	32,003	81,873	144,066	148,388	155,287	172,503	197,592	211,986	218,346	224,896
Less Base Value	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)
Incremental Value Over Base	0	358	17,429	20,054	69,925	132,118	136,440	143,339	160,555	185,644	200,038	206,398	212,948
Assumed Tax Rate	1.70%	1.69%	1.68%	1.67%	1.66%	1.65%	1.64%	1.63%	1.62%	1.61%	1.60%	1.59%	1.58%
<b>III. Gross Tax Increment Revenue</b>	0	6	293	335	1,161	2,180	2,238	2,336	2,601	2,989	3,201	3,282	3,365
Less School District Share at -0.3%	0	(1)	(52)	(60)	(210)	(396)	(409)	(430)	(482)	(557)	(600)	(619)	(639)
Net Tax Increment Revenue	0	5	241	275	951	1,784	1,828	1,906	2,119	2,432	2,600	2,663	2,726
Public Art Share at -3% of Net	0	(0)	(7)	(8)	(29)	(54)	(55)	(57)	(64)	(73)	(78)	(80)	(82)

**Table 2**  
**Tax Increment Projection**  
**River District Proposed Project**  
**Lake City Development Corporation**  
**of the City of Coeur d'Alene**  
**(000's Omitted)**

**Mill River at 75% of Developer Projection**

	13	14	15	16	17	18	19	20	21	22	23	24	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
<b>I. Real Property</b>	224,896	231,643	238,593	245,750	253,123	260,717	268,538	276,594	284,892	293,439	302,242	311,309	
Valuation Growth at 3%	6,747	6,949	7,158	7,373	7,594	7,821	8,056	8,298	8,547	8,803	9,067	9,339	
New Development Value (Table 4)	0	0	0	0	0	0	0	0	0	0	0	0	
Total Real Property	231,643	238,593	245,750	253,123	260,717	268,538	276,594	284,892	293,439	302,242	311,309	320,648	
<b>II. Total Project Value</b>	231,643	238,593	245,750	253,123	260,717	268,538	276,594	284,892	293,439	302,242	311,309	320,648	
Less Base Value	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	(11,948)	
Incremental Value Over Base	219,695	226,644	233,802	241,174	248,768	256,590	264,646	272,944	281,490	290,294	299,361	308,700	
Assumed Tax Rate	1.57%	1.56%	1.55%	1.54%	1.53%	1.52%	1.51%	1.50%	1.49%	1.48%	1.47%	1.46%	
<b>III. Gross Tax Increment Revenue</b>	3,449	3,536	3,624	3,714	3,806	3,900	3,996	4,094	4,194	4,296	4,401	4,507	71,503
Less School District Share at -0.3%	(659)	(680)	(701)	(724)	(746)	(770)	(794)	(819)	(844)	(871)	(898)	(926)	(13,888)
Net Tax Increment Revenue	2,790	2,856	2,923	2,991	3,060	3,130	3,202	3,275	3,350	3,425	3,503	3,581	57,615
Public Art Share at -3% of Net	(84)	(86)	(88)	(90)	(92)	(94)	(96)	(98)	(100)	(103)	(105)	(107)	(1,728)

**Table 3**  
**Cash Flow Detail**  
**River District Proposed Project**  
**Lake City Development Corporation**  
**of the City of Coeur d'Alene**

**Mill River at 75% of Developer Projection**

	Total Budget	0 2003-04	1 2004-05	2 2005-06	3 2006-07	4 2007-08	5 2008-09	6 2009-10	7 2010-11	8 2011-12	9 2012-13	10 2013-14	11 2014-15
<b>Operations</b>													
1 Administration	3,442,647	0	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477	134,392
2 Services & Supplies - Public Art	1,728,446	0	149	7,216	8,242	28,529	53,508	54,849	57,192	63,580	72,958	78,015	79,876
Total Operations	5,171,093	0	100,149	110,216	114,332	137,802	166,059	170,776	176,597	186,567	199,635	208,492	214,267
<b>Identified Capital Projects</b>													
1 Central Pre-Mix (OPA funded)	2,000,000	0	0	0	2,000,000	0	0	0	0	0	0	0	0
2 Mill River Ph 1 (OPA funded)	1,399,442	0	349,861	1,049,582	0	0	0	0	0	0	0	0	0
3 Mill River Ph 2 (OPA funded)	1,206,091	0	0	0	1,206,091	0	0	0	0	0	0	0	0
4 Seltice Commercial 1	85,000	0	0	0	0	0	0	85,000	0	0	0	0	0
5 Seltice Commercial 2	95,000	0	0	0	0	0	0	0	95,000	0	0	0	0
6 Seltice Commercial 3	105,000	0	0	0	0	0	0	0	0	105,000	0	0	0
7 Seltice Commercial 4	105,000	0	0	0	0	0	0	0	105,000	0	0	0	0
8 Seltice Way Road Enhancements	750,000	0	0	0	0	0	375,000	375,000	0	0	0	0	0
9 Contingency at 10%	574,553	0	34,986	104,958	320,609	0	37,500	46,000	20,000	10,500	0	0	0
Total Capital Projects	6,320,086	0	384,847	1,154,540	3,526,700	0	412,500	506,000	220,000	115,500	0	0	0

**Table 3**  
**Cash Flow Detail**  
**River District Proposed Project**  
**Lake City Development Corporat**  
**of the City of Coeur d'Alene**

**Mill River at 75% of Developer Projection**

	12	13	14	15	16	17	18	19	20	21	22	23	24	Plan Termination
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	
<b>Operations</b>														
1 Administration	138,423	142,576	146,853	151,259	155,797	160,471	165,285	170,243	175,351	180,611	186,029	191,610	197,359	
2 Services & Supplies - Public Art	81,772	83,704	85,671	87,676	89,717	91,795	93,912	96,066	98,260	100,492	102,764	105,076	107,428	
Total Operations	220,195	226,280	232,525	238,935	245,514	252,266	259,197	266,310	273,610	281,103	288,793	296,686	304,786	
<b>Identified Capital Projects</b>														
1 Central Pre-Mix (OPA funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Mill River Ph 1 (OPA funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Mill River Ph 2 (OPA funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Seltice Commercial 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Seltice Commercial 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Seltice Commercial 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Seltice Commercial 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Seltice Way Road Enhancements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Contingency at 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**Table 4**

**New Development Value Added  
River District Proposed Project  
Lake City Development Corporation  
of the City of Coeur d'Alene  
(000's Omitted)**

**Mill River at 75% of Developer Projection**

	Total Value Added	0 2003-04	1 2004-05	2 2005-06	3 2006-07	4 2007-08	5 2008-09	6 2009-10	7 2010-11	8 2011-12	9 2012-13	10 2013-14	11 2014-15	12 2015-16
1 Mill River - Phase 1 (75% of Developer Projection) Waterfront Residential	15,743	0	0	15,743	0	0	0	0	0	0	0	0	0	0
2 Mill River - Phase 2 (75% of Developer Projection) Offices (C-17a)	2,138	0	0	0	0	2,138	0	0	0	0	0	0	0	0
Apartments (R-17a)	3,881	0	0	0	0	3,881	0	0	0	0	0	0	0	0
Commercial (C-17c)	7,500	0	0	0	0	7,500	0	0	0	0	0	0	0	0
Residential (R-8a)	11,089	0	0	0	0	0	11,089	0	0	0	0	0	0	0
Residential (R-17b)	15,938	0	0	0	0	15,938	0	0	0	0	0	0	0	0
Commercial (C-17b)	5,738	0	0	0	0	0	5,738	0	0	0	0	0	0	0
Residential (R-8b)	6,578	0	0	0	0	0	6,578	0	0	0	0	0	0	0
Residential (R-3b)	7,125	0	0	0	0	0	7,125	0	0	0	0	0	0	0
3 Central Pre-Mix Land Purchase	1,596	0	0	0	1,596	0	0	0	0	0	0	0	0	0
office/resid/retail	35,000	0	0	0	0	14,000	21,000	0	0	0	0	0	0	0
4 Seltice Commercial 1 Land Purchase	1,990	0	0	0	0	0	0	0	1,990	0	0	0	0	0
Commercial	3,600	0	0	0	0	0	0	0	0	3,600	0	0	0	0
5 Seltice Commercial 2 Land Purchase	4,610	0	0	0	0	0	0	0	0	4,610	0	0	0	0
Commercial	9,000	0	0	0	0	0	0	0	0	0	9,000	0	0	0
6 Seltice Commercial 3 Land Purchase	2,662	0	0	0	0	0	0	0	0	0	2,662	0	0	0
Commercial	6,300	0	0	0	0	0	0	0	0	0	0	6,300	0	0
7 Seltice Commercial 4 Land Purchase	1,702	0	0	0	0	0	0	0	0	1,702	0	0	0	0
Commercial	3,600	0	0	0	0	0	0	0	0	0	3,600	0	0	0
<b>Total Real Property Value Added</b>	<b>145,789</b>	<b>0</b>	<b>0</b>	<b>15,743</b>	<b>1,596</b>	<b>43,456</b>	<b>51,530</b>	<b>0</b>	<b>1,990</b>	<b>9,913</b>	<b>15,262</b>	<b>6,300</b>	<b>0</b>	<b>0</b>
<b>Real Property Adjusted for Inflation at 3%</b>		<b>0</b>	<b>0</b>	<b>16,701</b>	<b>1,744</b>	<b>48,910</b>	<b>59,737</b>	<b>0</b>	<b>2,447</b>	<b>12,557</b>	<b>19,914</b>	<b>8,467</b>	<b>0</b>	<b>0</b>



**Table 5**  
**New TI Available for Assumed OPA Debt**  
**River District Proposed Project**  
**Lake City Development Corporation**  
**of the City of Coeur d'Alene**  
**(000's Omitted)**

**Mill River at 75% of Developer Projection**

	0	1	2	3	4	5	6	7	8	9	10	11	12	
	Reported 2002-03	Base 2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>I. Mill River Ph 1 - Real Property</b>	0	0	0	0	15,743	16,215	16,701	17,202	17,718	18,250	18,797	19,361	19,942	20,540
Valuation Growth at 3%	0	0	0	0	472	486	501	516	532	547	564	581	598	616
New Development Value (Table 4)	0	0	0	15,743	0	0	0	0	0	0	0	0	0	0
Total Real Property	0	0	0	15,743	16,215	16,701	17,202	17,718	18,250	18,797	19,361	19,942	20,540	21,157
Assumed Tax Rate		1.70%	1.69%	1.68%	1.67%	1.66%	1.65%	1.64%	1.63%	1.62%	1.61%	1.60%	1.59%	1.58%
<b>Mill River Ph 1 Gross TI Revenue</b>		0	0	264	271	277	284	291	297	305	312	319	327	334
Less School District Share at -0.30%		0	0	(47)	(49)	(50)	(52)	(53)	(55)	(56)	(58)	(60)	(62)	(63)
Less Public Art Share at -3% of Net		0	0	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)	(8)
Net TI Available to Repay OPA Debt		0	0	211	215	220	225	230	235	241	246	251	257	263
<b>Mill River Ph 1 Loan Repayment:</b>														
Outstanding Loan Balance		0	0	404	1,415	1,259	1,090	907	710	498	270	25	0	0
Add Principal (Table 3 CIP + Contingency)		0	385	1,155	0	0	0	0	0	0	0	0	0	0
Less Net TI Available to Repay OPA Debt		0	0	(211)	(215)	(220)	(225)	(230)	(235)	(241)	(246)	(25)	0	0
Add Interest at Rate of 5%		0	19	67	60	52	43	34	24	13	1	0	0	0
Ending Loan Balance		0	404	1,415	1,259	1,090	907	710	498	270	25	0	0	0
<b>II. Mill River Ph 2 - Real Property</b>	0	0	0	0	0	0	29,456	60,870	62,696	64,577	66,514	68,509	70,565	72,681
Valuation Growth at 0%	0	0	0	0	0	0	884	1,826	1,881	1,937	1,995	2,055	2,117	2,180
New Development Value (Table 4)	0	0	0	0	0	29,456	30,530	0	0	0	0	0	0	0
Total Real Property	0	0	0	0	0	29,456	60,870	62,696	64,577	66,514	68,509	70,565	72,681	74,862
Assumed Tax Rate		1.70%	1.69%	1.68%	1.67%	1.66%	1.65%	1.64%	1.63%	1.62%	1.61%	1.60%	1.59%	1.58%
<b>Mill River Ph 2 Gross TI Revenue</b>		0	0	0	0	489	1,004	1,028	1,053	1,078	1,103	1,129	1,156	1,183
Less School District Share at -0.30%		0	0	0	0	(88)	(183)	(188)	(194)	(200)	(206)	(212)	(218)	(225)
Less Public Art Share at -3% of Net		0	0	0	0	(12)	(25)	(25)	(26)	(26)	(27)	(28)	(28)	(29)
Net TI Available to Repay OPA Debt		0	0	0	0	389	797	815	833	852	871	890	909	929
<b>Mill River Ph 2 Loan Repayment:</b>														
Outstanding Loan Balance		0	0	0	0	1,393	1,054	269	0	0	0	0	0	0
Add Principal (Table 3 CIP + Contingency)		0	0	0	1,327	0	0	0	0	0	0	0	0	0
Less Net TI Available to Repay OPA Debt		0	0	0	0	(389)	(797)	(269)	0	0	0	0	0	0
Add Interest at Rate of 5%		0	0	0	66	50	13	0	0	0	0	0	0	0
Ending Loan Balance		0	0	0	1,393	1,054	269	0	0	0	0	0	0	0

**Table 5**

**New TI Available for Assumed OPA Debt  
River District Proposed Project  
Lake City Development Corporation  
of the City of Coeur d'Alene  
(000's Omitted)**

**Mill River at 75% of Developer Projection**

	13	14	15	16	17	18	19	20	21	22	23	24
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Plan Termination 2027-28
<b>I. Mill River Ph 1 - Real Property</b>	21,157	21,791	22,445	23,118	23,812	24,526	25,262	26,020	26,801	27,605	28,433	29,286
Valuation Growth at 3%	635	654	673	694	714	736	758	781	804	828	853	879
New Development Value (Table 4)	0	0	0	0	0	0	0	0	0	0	0	0
Total Real Property	21,791	22,445	23,118	23,812	24,526	25,262	26,020	26,801	27,605	28,433	29,286	30,164
Assumed Tax Rate	1.57%	1.56%	1.55%	1.54%	1.53%	1.52%	1.51%	1.50%	1.49%	1.48%	1.47%	1.46%
<b>Mill River Ph 1 Gross TI Revenue</b>	342	350	358	367	375	384	393	402	411	421	430	440
Less School District Share at -0.30%	(65)	(67)	(69)	(71)	(74)	(76)	(78)	(80)	(83)	(85)	(88)	(90)
Less Public Art Share at -3% of Net	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(10)	(10)
Net TI Available to Repay OPA Debt	268	274	280	286	293	299	305	312	319	325	332	339
<b>Mill River Ph 1 Loan Repayment:</b>												
Outstanding Loan Balance	0	0	0	0	0	0	0	0	0	0	0	0
Add Principal (Table 3 CIP + Contingency)	0	0	0	0	0	0	0	0	0	0	0	0
Less Net TI Available to Repay OPA Debt	0	0	0	0	0	0	0	0	0	0	0	0
Add Interest at Rate of 5%	0	0	0	0	0	0	0	0	0	0	0	0
Ending Loan Balance	0	0	0	0	0	0	0	0	0	0	0	0
<b>II. Mill River Ph 2 - Real Property</b>	74,862	77,108	79,421	81,804	84,258	86,785	89,389	92,071	94,833	97,678	100,608	103,626
Valuation Growth at 0%	2,246	2,313	2,383	2,454	2,528	2,604	2,682	2,762	2,845	2,930	3,018	3,109
New Development Value (Table 4)	0	0	0	0	0	0	0	0	0	0	0	0
Total Real Property	77,108	79,421	81,804	84,258	86,785	89,389	92,071	94,833	97,678	100,608	103,626	106,735
Assumed Tax Rate	1.57%	1.56%	1.55%	1.54%	1.53%	1.52%	1.51%	1.50%	1.49%	1.48%	1.47%	1.46%
<b>Mill River Ph 2 Gross TI Revenue</b>	1,211	1,239	1,268	1,298	1,328	1,359	1,390	1,422	1,455	1,489	1,523	1,558
Less School District Share at -0.30%	(231)	(238)	(245)	(253)	(260)	(268)	(276)	(284)	(293)	(302)	(311)	(320)
Less Public Art Share at -3% of Net	(29)	(30)	(31)	(31)	(32)	(33)	(33)	(34)	(35)	(36)	(36)	(37)
Net TI Available to Repay OPA Debt	950	971	992	1,013	1,035	1,058	1,081	1,104	1,127	1,152	1,176	1,201
<b>Mill River Ph 2 Loan Repayment:</b>												
Outstanding Loan Balance	0	0	0	0	0	0	0	0	0	0	0	0
Add Principal (Table 3 CIP + Contingency)	0	0	0	0	0	0	0	0	0	0	0	0
Less Net TI Available to Repay OPA Debt	0	0	0	0	0	0	0	0	0	0	0	0
Add Interest at Rate of 5%	0	0	0	0	0	0	0	0	0	0	0	0
Ending Loan Balance	0	0	0	0	0	0	0	0	0	0	0	0

**Table 5**  
**New TI Available for Assumed OPA Debt**  
**River District Proposed Project**  
**Lake City Development Corporation**  
**of the City of Coeur d'Alene**  
**(000's Omitted)**

**Mill River at 75% of Developer Projection**

	0	1	2	3	4	5	6	7	8	9	10	11	12	
	Reported 2002-03	Base 2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>III. Central Pre-Mix - Real Property</b>	0	0	0	0	0	1,596	15,644	37,113	38,227	39,373	40,555	41,771	43,024	44,315
Valuation Growth at 0%	0	0	0	0	0	48	469	1,113	1,147	1,181	1,217	1,253	1,291	1,329
New Development Value (Table 4)	0	0	0	0	1,596	14,000	21,000	0	0	0	0	0	0	0
Total Real Property	0	0	0	0	1,596	15,644	37,113	38,227	39,373	40,555	41,771	43,024	44,315	45,645
Assumed Tax Rate		1.70%	1.69%	1.68%	1.67%	1.66%	1.65%	1.64%	1.63%	1.62%	1.61%	1.60%	1.59%	1.58%
<b>Central Pre-Mix - Gross TI Revenue</b>		0	0	0	27	260	612	627	642	657	673	688	705	721
Less School District Share at -0.30%		0	0	0	(5)	(47)	(111)	(115)	(118)	(122)	(125)	(129)	(133)	(137)
Less Public Art Share at -3% of Net		0	0	0	(1)	(6)	(15)	(15)	(16)	(16)	(16)	(17)	(17)	(18)
Net TI Available to Repay OPA Debt		0	0	0	21	206	486	497	508	519	531	543	555	567
<b>Central Pre-Mix Loan Repayment:</b>														
Outstanding Loan Balance		0	0	0	0	2,287	2,184	1,782	1,349	883	381	0	0	0
Add Principal (Table 3 CIP + Contingency)		0	0	0	2,200	0	0	0	0	0	0	0	0	0
Less Net TI Available to Repay OPA Debt		0	0	0	(21)	(206)	(486)	(497)	(508)	(519)	(381)	0	0	0
Add Interest at Rate of 5%		0	0	0	109	104	85	64	42	18	0	0	0	0
Ending Loan Balance		0	0	0	2,287	2,184	1,782	1,349	883	381	0	0	0	0

**Table 5**

**New TI Available for Assumed OPA Debt  
River District Proposed Project  
Lake City Development Corporation  
of the City of Coeur d'Alene  
(000's Omitted)**

**Mill River at 75% of Developer Projection**

	13	14	15	16	17	18	19	20	21	22	23	24
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Plan Termination 2027-28
<b>III. Central Pre-Mix - Real Property</b>	45,645	47,014	48,424	49,877	51,373	52,915	54,502	56,137	57,821	59,556	61,343	63,183
Valuation Growth at 0%	1,369	1,410	1,453	1,496	1,541	1,587	1,635	1,684	1,735	1,787	1,840	1,895
New Development Value (Table 4)	0	0	0	0	0	0	0	0	0	0	0	0
Total Real Property	47,014	48,424	49,877	51,373	52,915	54,502	56,137	57,821	59,556	61,343	63,183	65,078
Assumed Tax Rate	1.57%	1.56%	1.55%	1.54%	1.53%	1.52%	1.51%	1.50%	1.49%	1.48%	1.47%	1.46%
<b>Central Pre-Mix - Gross TI Revenue</b>	738	755	773	791	810	828	848	867	887	908	929	950
Less School District Share at -0.30%	(141)	(145)	(150)	(154)	(159)	(164)	(168)	(173)	(179)	(184)	(190)	(195)
Less Public Art Share at -3% of Net	(18)	(18)	(19)	(19)	(20)	(20)	(20)	(21)	(21)	(22)	(22)	(23)
Net TI Available to Repay OPA Debt	579	592	605	618	631	645	659	673	687	702	717	732
<b>Central Pre-Mix Loan Repayment:</b>												
Outstanding Loan Balance	0	0	0	0	0	0	0	0	0	0	0	0
Add Principal (Table 3 CIP + Contingency)	0	0	0	0	0	0	0	0	0	0	0	0
Less Net TI Available to Repay OPA Debt	0	0	0	0	0	0	0	0	0	0	0	0
Add Interest at Rate of 5%	0	0	0	0	0	0	0	0	0	0	0	0
Ending Loan Balance	0	0	0	0	0	0	0	0	0	0	0	0