

RIVER AREA

URBAN RENEWAL ELIGIBILITY REPORT

**PREPARED FOR THE
LAKE CITY DEVELOPMENT CORPORATION**

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BACKGROUND

An agreement of March 17, 2003, with Lake City Development Corporation (“LCDC”) authorized preparation of the subject report. The report will provide the technical support for the first step in planning an urban renewal project in the river area of Coeur d’Alene, Idaho (“River Area”). The River Area is generally bounded by I-90, Huetter Road, the Spokane River, and the Central Pre-Mix property. The area is bisected by Seltice Way, and most of it is outside the Coeur d’Alene city limits.

Idaho Code Section 50-2008(a) states:

An urban renewal project for an urban renewal area shall 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 a combination thereof and designated such area as appropriate for an urban renewal project.

Hence, Step One in planning a new renewal project is a resolution by the Coeur d’Alene City Council (“City Council”) making certain findings about a specific geographic area in the City. These resolutions would also authorize the LCDC to prepare an urban renewal plan for the area. The attached definitions of deteriorating area and urban renewal project are very pertinent to this step and are the focus of this report.

Step Two in the renewal planning process is action by the LCDC to prepare an urban renewal plan and recommend its approval to the City Council.

The City Council initiates Step Three by referring the plan to the Planning and Zoning Commission and setting a public hearing on the plan. Step Three is completed by a Planning and Zoning Commission finding that the urban renewal plan conforms to the City’s Comprehensive Plan.

Step Four is the adoption of a City Council ordinance approving the plan, after a public hearing.

DISCUSSION

This report focuses on whether the River Area, as previously described and as outlined on the attached map, qualifies as a deteriorating area pursuant to Idaho Code Section 50-2018(i) and as a deteriorated area pursuant to Section 50-2903(7)(b) under virtually identical definitions. A copy of this joint definition is attached. The first statutory reference is from the basic urban renewal statute, while the second comes from the revenue allocation law.

Because a portion of the area, particularly the western end below Seltice Way, is now predominately open land, this area must qualify under a specific portion of Idaho Code Section 50-2018(i) and a different statutory provision, Idaho Code Section 50-2903(7)(c), a copy of which is attached. These provisions cross-reference Section 50-2008(d), Idaho Code, a copy of which is also attached.

Finally, the report will discuss why the area is appropriate for an urban renewal project.

A. Present Conditions

The attached definition of deteriorating and deteriorated area [Idaho Code §§ 50-2018(i) and 50-2903(7)(b)] lists nine different conditions that may be present in such an area, with the tenth being the catch-all “any combination of such factors.” The presence of these conditions was documented by a field trip on March 20-21, 2003, contacts with various City officials, and assessor file information. Then the area and its public infrastructure were evaluated, and the numbers that correspond to the applicable characteristics in the definition were placed at the appropriate locations on the attached map. For example, the fifth characteristic is a “deterioration of site and other improvements.” Therefore, the number “5” placed on certain sections of Seltice Way indicates deterioration of that public improvement.

B. Open Land Area

The former Crown Pacific mill site at the western end of the River Area between Seltice and the Spokane River is now cleared with no public infrastructure. As will be discussed below, such an area can qualify as an urban renewal area. The definition of an open land area in Section 50-2903(7)(c) lists several of the same characteristics as Sections 50-2018(i) and 50-2903(7)(b) under the same or similar descriptions. “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 apparently a combination of “a substantial number of deteriorated or deteriorating structures” and “deterioration of site or other improvements.” The final term, “or otherwise,” at least implies that a predominately open area shares some of the same characteristics as the previous definition of deteriorated area, Idaho Code

Section 50-2903(7)(b). There is also an additional qualification that, “The provisions of Section 50-2008(d), Idaho Code, shall apply to open areas.”

Section 50-2008(d) lists the findings that the City Council must make in the ordinance approving the urban renewal plan. In addition, this section lists the special findings that the City Council must make “if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency.” There is one set of findings if the area of open land is to be developed for residential uses and a separate set of findings if the land is to be developed for nonresidential uses.

Basically, such open land areas may be acquired by the LCDC and developed for nonresidential uses if such acquisition is needed to solve various problems, associated with the land or the public infrastructure, that have retarded its development. These problems include defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout, all of which are included in one form or another in the Section 50-2903(7)(b) definition of deteriorated area. The problems that are 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 about open land areas is such areas qualify if any of the standard 50-2018(i) and 50-2903(7)(b) characteristics apply. But such areas also qualify if any of the problems listed only in 50-2008(d)(4)(2) apply. Clearly, lack of adequate water and sewer facilities is a condition which retards development of the area.

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The Crown Pacific site is an open land area and is designated with the letters “OL.” Since it lacks water and sewer facilities, it is designated with the letters “L(S)” and “L(W),” depending upon site conditions.

C. Deteriorating/Deteriorated Area Characteristics

The following is a listing of conditions found in the area by their corresponding numbers in the definition and a brief explanation of that condition and how it was evaluated and identified:

1. (1) A substantial number of deteriorated or deteriorating structures. Given their age and condition, most of the structures in the area would be evaluated as deteriorating. New buildings and those that were substantially rehabilitated within the last five to ten years were not considered deteriorating. Deteriorated buildings would be those that are so run down that they should be demolished, allowing the land to be recycled for other uses. No attempt was made to differentiate between deteriorating and deteriorated structures. Clearly structures such as the mobile homes on the north side of Seltice at the western end of the area are deteriorating, while the two adjacent buildings to the east are not. The Honda dealership at the eastern end of the area on the north side is a newer building, as is the Stimson Lumber headquarters building in the same area, and neither would be considered deteriorating. The balance of the buildings, including those at the Atlas Stimson Mill and the Central Pre-Mix site are evaluated as deteriorating.

2. (2) Predominance of defective or inadequate street layout. Seltice Way, running east and west, Huetter Road, Old Atlas Road, and Atlas Road are the streets that serve the area. While a few more streets between the one-way legs of Seltice and for access from the north and the south would be helpful, it is difficult to say that the overall street layout is defective or inadequate to any major degree.

3. (3) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.

This characteristic may be seen in the area north of Seltice and west of Old Atlas Road to the single-family house on the timber parcel. Several nearby parcels abutting the freeway appear to have access problems. If the Angus Farm property and, perhaps, the adjacent auction property were to be redeveloped, a new parcelization with improved access would undoubtedly be needed.

4. (4) Insanitary or unsafe conditions. There are a number of conditions existing within the proposed renewal area that apply to this characteristic. Typical insanitary conditions include excessive amounts of junk, trash, and weeds in violation of City sanitation codes. The most significant insanitary condition occurs in areas that lack sanitary sewers or where the sanitary sewer system has insufficient capacity.

The insanitary conditions discussed above are marked at applicable locations on the map. The designation “4T” appears on the map in two locations to indicate trashy conditions on the property at that location, while the designation “4S” appears throughout the area indicating problems with the sanitary sewer system, including lack of sewer mains or an existing system that is inadequate. The City staff reports that the entire area lacks a central sewer system, a problem that severely limits new development and impacts existing developments as septic systems fail. Septic system failures may also have an adverse impact on the Rathdrum aquifer.

There are also a number of unsafe conditions throughout the area. Most are found with the street systems and include lack of sidewalks, curbs, and gutters; narrow, inadequate streets; and lack of street lights. Therefore, the designation “4ST” appears on the map at all of the streets to indicate unsafe conditions with the street system.

5. (5) Deterioration of site and other improvements. Site improvements include parking lots, fences, and landscaping areas, basically things other than structures that make up a developed property. The term “other improvements” is the place where public improvements such as streets, sidewalks, curbs, gutters, bridges, storm drains, water mains, sanitary sewers, and public facilities such as swimming pools and public buildings are included. When the number “5” appears on the map in street rights-of-way (like Seltice and Old Atlas), that denotes those streets are deteriorated either entirely (as Old Atlas is) or in part (as is the case with Seltice Way). Visual inspections are used to make these designations. When the number appears on real property, that denotes deteriorated site improvements, usually parking lots for already improved properties. Several properties on the north side of Seltice between Atlas and the eastern end of the area have a number “5” on their properties because of the condition of their parking lots.

6. (6) Diversity of ownership. Typically this characteristic is present when an area that needs to be redeveloped because of rundown buildings is divided into a number of different ownerships. Multiple ownerships are more difficult for developers to assemble. Fortunately, the west portion of the River Area contains mostly larger parcels, so this characteristic will not be present in that area to any significant degree.

7. (7) Tax and special assessment delinquency exceeding the fair value of the land. This characteristic does not apply to the area.

8. (8) Defective and unusual conditions of title. These conditions have not been found in the area.

9. (9) The existence of conditions which endanger life or property by fire and other causes. The primary focus of this characteristic is inadequate fire protection facilities, particularly fire hydrants for existing and projected new development. The hydrant problem

is present on the western end of Seltice Way, where water mains are also lacking. Therefore, a number “9” appearing on the map in that location indicates a lack of adequate fire protection facilities.

10. (10) Any combination of such factors. This number is placed on all areas where two or more of the other characteristics are present.

D. Effects of Present Conditions

1. (a) Results in economic underdevelopment of the area. Field review shows several examples of underdeveloped property. Examples include the large Crown Pacific parcel on the west end and the Central Pre-Mix parcel on the east end of the area.

2. (b) Substantially impairs or arrests the sound growth of a municipality. The current city limits below I-90 stop at Seltice and Old Atlas Road. North of I-90, the city limits and residential development have extended westward to Huetter Road, meaning that some prime development areas, particularly south of Seltice have been bypassed. Such uneven growth adversely affects the sound growth of the City because it places additional burdens on the City’s capital improvement programming in attempting to keep up with unmet infrastructure needs when such areas are annexed.

3. (c) Retards the provision of housing accommodations or (d) constitutes an economic or social liability. Often older commercial and residential areas suffer from an inadequate public infrastructure. This area has significant problems in the water and sewer systems and the fire protection system. Inadequate public infrastructure tends to increase public service costs without much increased generation of property and other taxes. Hence such an area tends to become an economic liability for the City.

4. (e) And is a menace to the public health, safety, morals, or welfare in its present condition or welfare in its present condition or use. The previous discussion has

established that this area has had slower growth and, as a result has become a modest economic liability. In addition, the unsafe condition of lack of sidewalks, lack of street lights, and inadequate fire protection facilities create safety problems for the residents and businesses. Accordingly, these conditions represent a menace or threat to the public welfare or prosperity and safety of the community.

E. Appropriateness of the Area for an Urban Renewal Project

The second part of the City Council's determination is the policy decision of whether or not the area is appropriate for an urban renewal project.

Note that part of the definition of an urban renewal project includes, "undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated and deteriorating areas." This report has provided evidence that the River Area is a deteriorating area because of the presence of various conditions, most of which are related to the public infrastructure. Either public infrastructure is older and needs to be replaced and/or upgraded or it is grossly inadequate to serve planned new development. In either case, the result is the same, existing development is often discouraged from upgrading and expanding, and new development is often slowed or thwarted because of the lack of necessary public infrastructure.

Fortunately the preparation and approval of an urban renewal plan, including a revenue allocation financing provision, gives the City additional resources to solve the public infrastructure problems in this area. Revenue allocation financing should help to improve the situation. In effect, property taxes generated by new developments within the area may be used by the City's urban renewal agency to finance a variety of needed public improvements and facilities. Finally, some of the new developments may also generate new jobs in the community that would, in turn, benefit area residents.

CONCLUSION

This report concludes that the River Area described in this report is a deteriorating and deteriorated area and, as such, is appropriate for an urban renewal project.

Attachment: River Area Map

DEFINITION OF DETERIORATING AREA, IDAHO CODE § 50-2018(i)
AND DETERIORATED AREA, IDAHO CODE § 50-2903(6)(b)

A deteriorating or deteriorated area is any area [which by reason of the presence of (1) a substantial number of deteriorated or deteriorating structures; (2) predominance of defective or inadequate street layout; (3) faulty lot layout in relation to size, adequacy, accessibility, or usefulness; (4) insanitary or unsafe conditions; (5) deterioration of site or other improvements; (6) diversity of ownership; (7) tax or special assessment delinquency exceeding the fair value of the land; (8) defective or unusual conditions of title; (9) the existence of conditions which endanger life or property by fire and other causes; or (10) any combination of such factors], (a) results in economic underdevelopment of the area;¹ (b) substantially impairs or arrests the sound growth of a municipality; (c) retards the provision of housing accommodations; or (d) constitutes an economic or social liability; and (e) is a menace to the public health, safety, morals, or welfare in its present condition or use; provided, that if such deteriorating area consists of open land the conditions contained in the proviso in Idaho Code Section 50-2008(d) shall apply.²

¹This appears only in the revenue allocation statute.

²This appears only in the urban renewal statute.

DEFINITION OF URBAN RENEWAL PROJECT, IDAHO CODE § 50-2018(j)

“Urban renewal project” may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertakings and activities may include:

- (1) acquisition of a deteriorated area or a deteriorating area or portion thereof;
- (2) demolition and removal of buildings and improvements;
- (3) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, off-street parking facilities, public facilities or buildings and other improvements necessary for carrying out in the urban renewal area the urban renewal objectives of this act in accordance with the urban renewal plan;
- (4) disposition of any property acquired in the urban renewal area (including sale, initial leasing or retention by the agency itself) at its fair value for uses in accordance with the urban renewal plan except for disposition of property to another public body;
- (5) carrying out plans for a program of voluntary or compulsory repair and rehabilitation of building or other improvements in accordance with the urban renewal plan;
- (6) acquisition of real property in the urban renewal area which, under the urban renewal plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property;
- (7) acquisition of any other real property in the urban renewal area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities;
- (8) lending or investing federal funds; and
- (9) construction of foundations, platforms and other like structural forms.

Idaho Code § 50-2008(d)

(d) Following such hearing, the local governing body may approve an urban renewal project and the plan therefor if it finds that (1) a feasible method exists for the location of families who will be displaced from the urban renewal area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families; (2) the urban renewal plan conforms to the general plan of the municipality as a whole; (3) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children residing in the general vicinity of the site covered by the plan; and (4) 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) 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 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.

Idaho Code § 50-2903(7)(c)

(c) Any area which is predominately 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.