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ORIGINAL

ECONOMIC DEVELOPMENT PARTICIPATION AND REIMBURSEMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT PARTICIPATION AND REIMBURSEMENT AGREEMENT (this “**Agreement**”) is made this 21st day of January, 2014, between WILLOW CREEK ASSOCIATES, LLC., an Limited Liability Company (hereinafter referred to as “**WILLOW**” or the “**Participant**”) whose address is 4110 Eaton Ave., Suite A, Caldwell, Idaho 83607-1780, and the NAMPА DEVELOPMENT CORPORATION, an urban renewal agency formed under the laws of the State of Idaho (hereinafter referred to as “**NDC**” or the “**AGENCY**”) whose address 9 12th Ave. South, Nampa ID 83651 (collectively, the “**PARTIES**”).

1. Recitals

1.1 The Parties do hereby enter into this Agreement to memorialize their respective duties, rights and obligations related to the redevelopment of the property referenced herein. WILLOW intends to redevelop the Historic Mercy Hospital site, hereinafter referred to as (the “**Project**”). The Project consists of the city block which housed the historic Mercy Hospital located at 1615 8th Street South and the City right-of-way necessary to make infrastructure improvements. The Historic Mercy Hospital Area and Revenue Allocation Area (“**Project Area**”) consist of all property enclosed within the boundaries as described in “**Exhibit A**” and as outlined on the map in “**Exhibit B**”, both attached hereto and incorporated by reference herein.

1.2 NDC is an independent public body, corporate and politic, created as an urban renewal agency pursuant to Idaho Code §50-2006, part of the Idaho Urban Renewal Law of 1965. As an urban renewal agency established by the City of Nampa, NDC is charged with aiding and assisting economic development in the Nampa area, including recruiting new companies to the area, helping existing businesses expand and assisting developments that will retain and increase available jobs in the community; and is further charged with encouraging such development by private enterprise; all as more specifically provided in Idaho Code §§50-2002 and 50-2003, being part of the Idaho Urban Renewal Law, and Idaho Code §50-2902, being part of the Local Economic Development Act.

1.3 The Nampa City Council, by the adoption of Resolution No. 35-2012 on the 5th day of November 2012, found the project area a deteriorated and deteriorating area existing in the City as defined by the Law and Act, and authorized the preparation of an urban renewal plan.

1.4 NDC through Resolution No. 2012-8 adopted the Historic Mercy Hospital Plan, which plan includes revenue allocation financing provisions, and that the Agency recommended that the Plan be adopted by the Nampa City Council.

1.5 Further, the City Nampa City Council by the adoption of Ordinance No 4056 on the 6th day of May, 2013, duly formed and adopted the Historic Mercy Hospital Urban Renewal Plan.

1.6 An economic feasibility study was completed analyzing costs and revenues. The study identified the kind, number, and location of all proposed public works or improvements, a

detailed list of estimated project costs, a description of the methods of financing illustrating projects costs, and the time when related costs or monetary obligations are to be incurred. The conclusion of the economic feasibility study was that the Plan is feasible.

1.7 Each structure and building in the Project Area to be rehabilitated or to be constructed as a condition of this Agreement between the Parties pursuant to this Plan will be considered to be satisfactorily rehabilitated and constructed, and the Agency will so certify, if the rehabilitated or revitalized structure meets standards listed within the Plan.

1.8 The Plan, including a revenue allocation financing provision, will help finance the urban renewal project to be completed in accordance with the Plan in order to encourage private development in the surrounding project area; to prevent and arrest decay of the Project Area due to the inability of existing financing methods to provide needed public improvements; to increase the tax base consistent with the applicable urban renewal plan, and to further the public purposes of the Agency.

1.9 NDC has reviewed the elements of the Project and Project Area and feels the project would enhance the redevelopment and revitalization of the District pursuant to the provisions of the Plan and affords maximym opportunity, consistent with the sound needs of the City as a whole for the rehabilitation or redevelopment of the Project Area by private enterprise.

1.10 Based on these reasons, and the conclusion of the feasibility study, NDC has committed to provide funding for infrastructure improvements and Historic Façade Restorations in an estimated amount not to exceed Three Hundred and FiftyThousand Dollars (\$350,000) for specific uses in the Project as delineated herein.

- A. Estimated amount not to exceed Three Hundred and FiftyThousand Dollars (\$350,000) shall be paid for the following, including, but not limited to: sidewalk and on-street parking improvements, water line upgrades and fire hydrants, and historic façade restoration of the Historic mercy Hospital Building. **“Improvements”**. The Improvements must be approved by the City of Nampa’s Engineer or designee, and determined by the City to be consistent with the applicable Historic Mercy Hospital Urban Renewal Plan and Idaho Urban Renewal Law.
- B. The Participant will construct and pay for the necessary infrastructure and historic restoration of the building, otherwise known as “Improvements” and receive payments from NDC from the increment generated through the new investment in the site. Proof of payment and performance of contracts must be submitted to the Agency in order to obtain reimbursement.
- C. Agency will reimburse Participant an amount not to exceed 100% annually from tax increment revenues until such time as the total Improvement reimburse as listed in “A” above have been fulfilled. The Agency will retain from the first year increment the costs incurred to establish the District. If adequate revenue is not received in the first year to cover all agency costs is will be retained from the subsequent years until those costs are repaid. The Agency will also retain any ongoing cost incurred from the oversight and management of the District.

1.11 By this Agreement, NDC and WILLOW wish to memorialize their mutual undertakings and commitments with respect to the Project and Project Area described herein and therefore, agree as follows:

2. NDC's Undertaking

2.1 To further the proposed redevelopment, including infrastructure improvements and increased tax base expected therefrom, NDC agrees to pay WILLOW, its developer, the total sum of Three Hundred and Fifty Thousand Dollars (\$350,000.00) to benefit said development utilizing revenue allocation funds in accordance with the terms set out in Sections 2.2 and 2.3 of this Agreement.

2.2 The funds to be paid to WILLOW shall be paid through a NDC special account (“**special account**”) into which NDC shall deposit tax revenue allocation area generated funds from the Project to be used to make the payments. The special account shall be an account held and maintained by NDC. From the special account, to the extent that revenue allocation funds have been received from Canyon County by NDC on account of the increased value conferred by the Project, NDC shall pay WILLOW as outlined in the “Twenty-Year Incentive Pro-Forma for *Project Historic Mercy Hospital* in Idaho” spreadsheet (“**Exhibit D**”) for items identified with Nampa Development Corporation as the issuing jurisdiction. For items that require “qualified invoices and proof of payment,” WILLOW shall submit “qualified invoices and proof of payment”, along with the contracts for “Improvements” as provided for in Attachment No.4 of the Plan. The qualified invoice and proof of payment shall be for labor, materials and professional services related to the applicable Improvements. “**Qualified invoices and proof of payment** ,” as that term is used in this Agreement, shall mean signed contracts or agreements that include adequate detail of the charges represented thereby, which relate to the “Improvements” that have been constructed or installed, and which have been reviewed by the City’s Engineer or designee, along with Nampa Development Corporation or their designated agent, and proof that such payments have been paid in full, along with an invoice to NDC for reimbursement.

2.3 NDC shall pay WILLOW for approved qualified invoices and proof of payments in the order said invoices are received and as funds are generated and become available to NDC through the distribution of the Nampa Urban Renewal Area tax increment (a/k/a revenue allocation) funds. NDC will disburse no more than the amount specified in Exhibit D, or one hundred -Percent (100%), minus any agency costs associated with the administration of the District, of increment received from the Project in one year, whichever is less, for a period of twenty (20) years, or until such Improvements have been reimbursed in full, whichever is less. In the event WILLOW fails to complete the Improvements as listed in the Plan, NDC’s obligation to pay WILLOW under the terms of this Agreement shall also be considered terminated regardless of the amount of funds invested by WILLOW.

3. WILLOW Development's (PARTICIPANTS) Undertaking

3.1 In return for NDC’s agreement to provide said incentive, WILLOW agrees to rehabilitate any existing structures on the site and assure the structures are safe and sound in all physical respects and be refurbished and altered to bring the property to an ungraded marketable condition, which will continue throughout an estimated useful life for a minimum of twenty (20) years, and comply with the following provisions:

- A. WILLOW shall make a minimum investment of approximately Eight Million Seven Hundred Thousand and no/100 Dollars (\$8,700,000.00) on the Project. Seven Million Eight Hundred Thousand and no/100 Dollars (\$7,800,000.00) in capital investment (including land costs) from WILLOW for hard construction costs, Three Hundred Fifty Thousand and no/100 Dollars (\$350,000.00) for infrastructure and façade improvements, and Five-Hundred Fifty Thousand and no/100 Dollars (\$550,000.00) in soft construction costs).
- B. All such buildings or portions of buildings which are to remain within the Project Area shall be rehabilitated in conformity with all applicable codes and ordinances of the City of Nampa.
- C. Any new construction shall also conform to all applicable provisions, requirements, and regulations of this Plan.
- D. Participants who retain real property shall be required to join in the recordation of such documents as may be necessary to make the provisions of the Plan applicable to their properties.
- E. That the Developers, their successors, agree:
 - a. A plan and time schedule for the proposed development shall be submitted to the Nampa Development Corporation. Initial plan and time schedule shall be provided within ninety (90) days after the effective date of this agreement.
 - b. That the purchase or lease of the land and/or subterranean rights and/or air rights is for the purpose of redevelopment and not for speculation.
 - c. That there will be no discrimination against any person or group of persons because of race, sex, creed, color, national origin or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises or any improvements erected or to be erected thereon, therein conveyed; nor will the Developer himself or any person claiming under or through him establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sub lessees, or vendees in the premises or any improvements therein conveyed. The above provision will be perpetual and will be appended to the land disposed of within the Urban Renewal Project Area by the Nampa Development Corporation.
 - d. That the site and construction plans will be submitted to the Corporation for review as to conformity with the provisions and purposes of this Plan (Development Approval Rights).
 - e. All development plans (whether public or private) prepared, pursuant to disposition and development or owner participation agreements, shall be submitted to the Nampa Development Corporation for approval and architectural review.
 - f. All real property in the Project Area, under the provisions of Agreement, is made subject to the controls and requirements of the Plan. No such real property shall be developed, rehabilitated, or otherwise changed after the date of the adoption of the Plan, except in conformance with the provisions of the Plan.

- F. In the event WILLOW fails to rehabilitate the structures or make the necessary Improvements, then NDC's obligation to further make payments to WILLOW shall cease.
- G. Deliver updated timelines and schedule project status meetings with the NDC to keep them informed of the progress of the Project.
- H. All payments by NDC hereunder are conditioned upon WILLOW fulfilling the commitments set forth in sub-paragraphs A-G above. If such conditions are not met, no sums shall be due from NDC herein.

3.2 For reimbursable "Improvements," WILLOW shall provide proof of payment for the amount of the costs incurred by WILLOW, along with contracts to substantiate the work completed.

3.3 WILLOW shall provide to NDC such additional information respecting the work and payments as NDC may reasonably request.

4. Effect of Agreement

4.1 It is further intended by the parties to this Agreement that the amounts paid by NDC to WILLOW hereunder, through payment of qualified invoices and proof of payment submitted by WILLOW, not be paid as compensation for specific services by WILLOW for NDC. Rather, the intent of the parties is that the payments promote the economic development of the area in which the WILLOW Project shall be located and provides funding for the infrastructure improvements.

4.2 The parties acknowledge that the effect of the payments by NDC required hereunder will inure to the benefit of WILLOW, while having the corresponding benefit to the public purposes of NDC as described above.

5. Miscellaneous

5.1 This Agreement shall be governed by and construed under the laws of the State of Idaho; venue shall be Canyon County, Idaho.

5.2 The term of this Agreement shall expire and be of no further force or effect, upon the earlier to occur of (a) the date the revenue allocation area established in Ordinance 4056 and the urban renewal plan approved thereby terminates; (b) the date on which NDC has paid to WILLOW (through the special account as provided herein) all amounts due to WILLOW hereunder in the aggregate; or (c) if WILLOW has failed to rehabilitate the structures on the site and complete all infrastructure improvements within thirty-six (36) months after the effective date of this agreement.

5.3 This Agreement shall be binding upon and inure to the benefit of the respective parties and their legal successors; but neither party may assign this Agreement without the express written consent of the other party.

5.4 In any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees from the non-prevailing party. Determination of the

prevailing party in any such litigation shall be made on the basis of the factors enumerated in Rule 54(d)(1)(B), Idaho Rules of Civil Procedure, as the same now exists or may subsequently be amended.

5.5 Each party represents to the other that it has full legal authority to enter into and execute this Agreement, including obtaining any required resolution of its governing board.

5.6 Notices by either party to the other shall be made in writing and delivered by first class U.S. Mail, postage prepaid, to the parties as follows:

WILLOW: Willow Development Group
4110 EATON AVE., Suite A
CALDWELL, ID 83607-1780
Attention: C. Fred Cornforth

NDC: Nampa Development Corporation
411 3rd Street South
Nampa, ID 83651

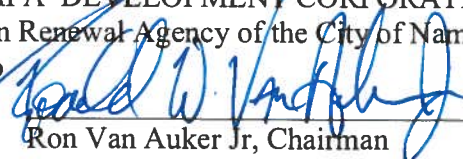
5.7 This document constitutes the entire agreement of the parties with respect to the reimbursement by NDC to WILLOW and supersedes any prior agreements of the parties.

5.8 This agreement is effective on the date adopted by the Nampa Development Corporation Board of Commissioners, and upon final recordation of the deed indicating WILLOW Development Group, LLC., as owner of the property listed herein.

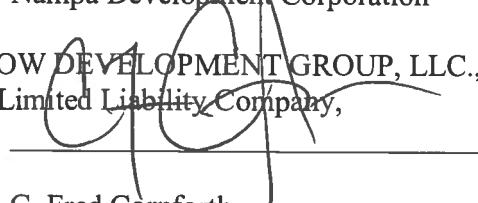
5.9 This agreement is between NDC and WILLOW and is not transferrable.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

NAMPA DEVELOPMENT CORPORATION the
Urban Renewal Agency of the City of Nampa,
Idaho

By: 
Ron Van Auker Jr, Chairman
Nampa Development Corporation

WILLOW DEVELOPMENT GROUP, LLC., an
Idaho Limited Liability Company,

By: 
C. Fred Cornforth
Chief Executive Officer

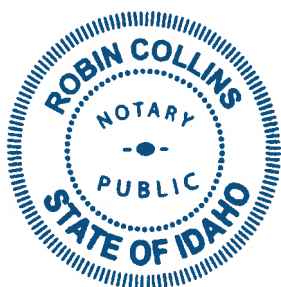
ACKNOWLEDGEMENTS

FOR THE NAMPA DEVELOPMENT CORPORATION:

STATE OF IDAHO)
County of Canyon)
SS:

On this 24th day of January, 2014, before me, the undersigned, a Notary Public in and for the State, personally appeared Ron Van Auker Jr., known to me to be the Chairman of the Nampa Development Corporation, and acknowledged to me that he executed the foregoing instrument for and on behalf of said agency and that said agency executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the date and year in this certificate first above written.



Robin Collins

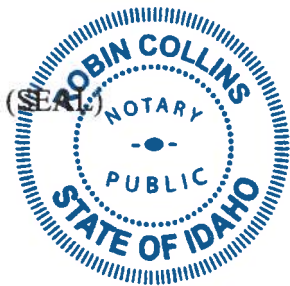
NOTARY PUBLIC FOR IDAHO
Residing in Nampa
My commission expires: _____

**MY COMMISSION EXPIRES
JULY 27, 2017
BONDED THRU
NOTARY PUBLIC UNDERWRITERS**

STATE OF IDAHO)
County of Canyon)
: SS

On this 24th day of January, 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared C. Fred Cornforth, known or identified to me to be the person whose name is subscribed to the within instrument, as the Chief Executive Officer of WILLOW Development Group, LLC., and acknowledged to me that he executed the same on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Robin Collins

Notary Public for Idaho
Commission expires: _____

**MY COMMISSION EXPIRES
JULY 27, 2017
BONDED THRU
NOTARY PUBLIC UNDERWRITERS**

“EXHIBIT A”

PROJECT BOUNDARY DESCRIPTION FOR HISTORIC MERCY HOSPITAL REDEVELOPMENT “PROJECT AREA”

General Description of Area: The City of Nampa Historic Mercy Hospital Area consists of the city block which housed the historic Mercy Hospital located at 1615 8th Street South and the City right-of-way necessary to make infrastructure improvements.

The Historic Mercy Hospital Area and Revenue Allocation Area (“Project Area”) consist of all property enclosed within the following boundaries:

LEGAL DESCRIPTION FOR HISTORIC MERCY HOSPITAL REDEVELOPMENT “PROJECT AREA”

A Portion Interstate Addition, and Waterhouse’s Addition within Township 3 North, Range 2 West, Section 27, Nampa, Canyon County, Idaho, more particularly described as:

Commencing at the intersection of the centerlines for 16th Avenue South (formerly K Street) and 9th Avenue South (formerly Maple Street) thence South 88° 41’ 05” West a distance of 56.56 feet to the POINT OF BEGINNING, said point being the East corner of Lot 1 Block 32 of Waterhouse’s Addition; thence

North 43° 40’ 20” East a distance of 460.00 feet to the South corner of Lot 7 Block 5 of Interstate Addition; thence

South 46° 18’ 10” East a distance of 380.00 feet to the South corner of Lot 7 Block 7 of Interstate Addition; thence

North 43° 40’ 20” East a distance of 340.00 feet to a point on the centerline of 7th Avenue South; thence South 46° 18’ 10” East a distance of 80.00 feet to a point on the centerline of 7th Avenue South; thence South 43° 40’ 20” West a distance of 720.00 feet to the West corner of Lot 6, Block 18 Interstate Addition; thence

South 46° 18’ 10” East a distance of 218.63 feet to the Southwest corner of Lot 7 Block 18 Interstate Addition; thence

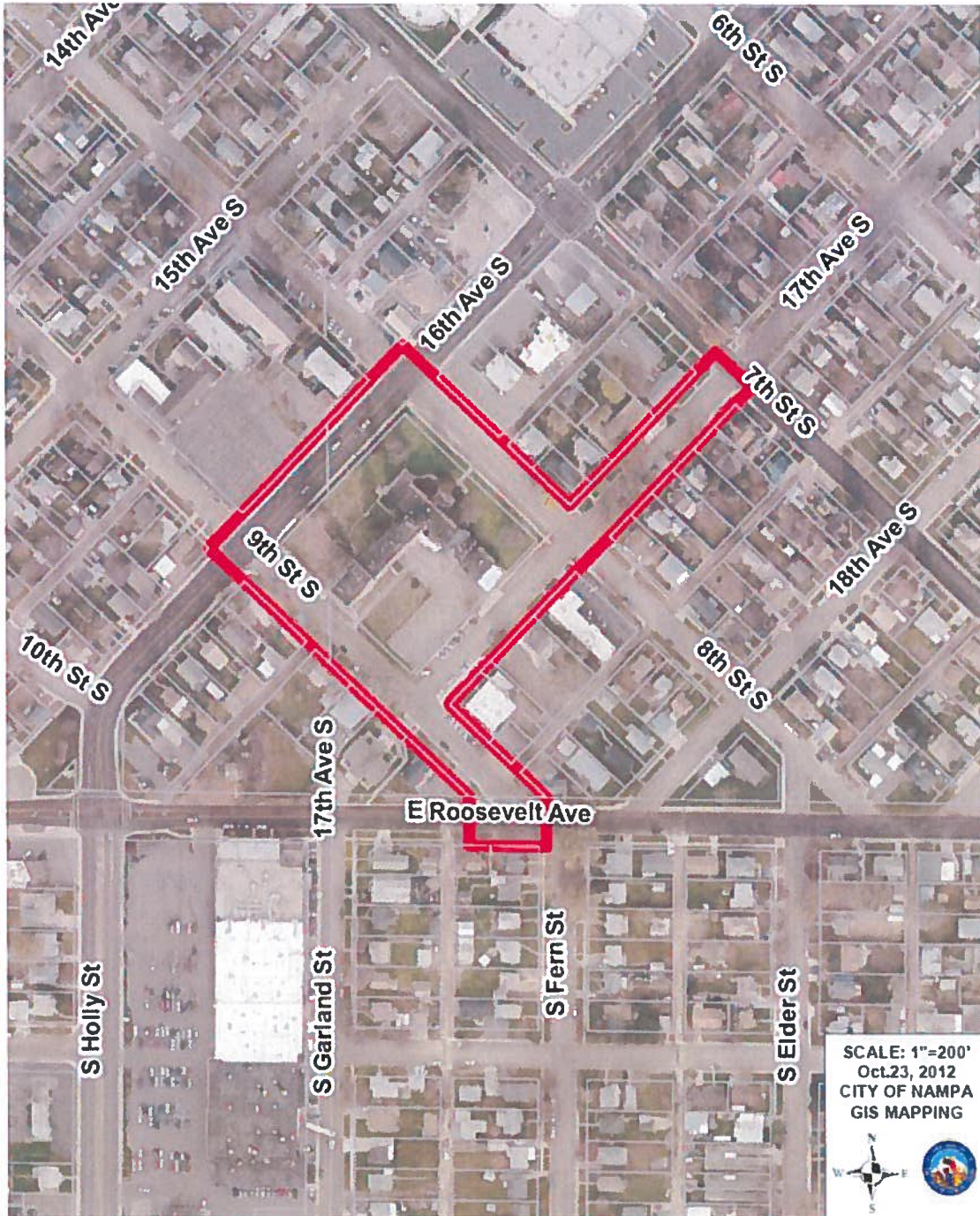
South 00° 46’ 40” West a distance of 80.00 feet to a point on the South right of way line for Roosevelt Avenue; thence

North 89° 13’ 20” West a distance of 117.48 feet to a point on the South right of way line for Roosevelt Avenue; thence

North 00° 46’ 40” East a distance of 80.00 feet to the East corner of Block 27 Interstate Addition; thence North 46° 18’ 10” West a distance of 592.56 feet to the POINT OF BEGINNING.

"EXHIBIT B"

PROJECT AREA BOUNDARY MAP



"EXHIBIT B"

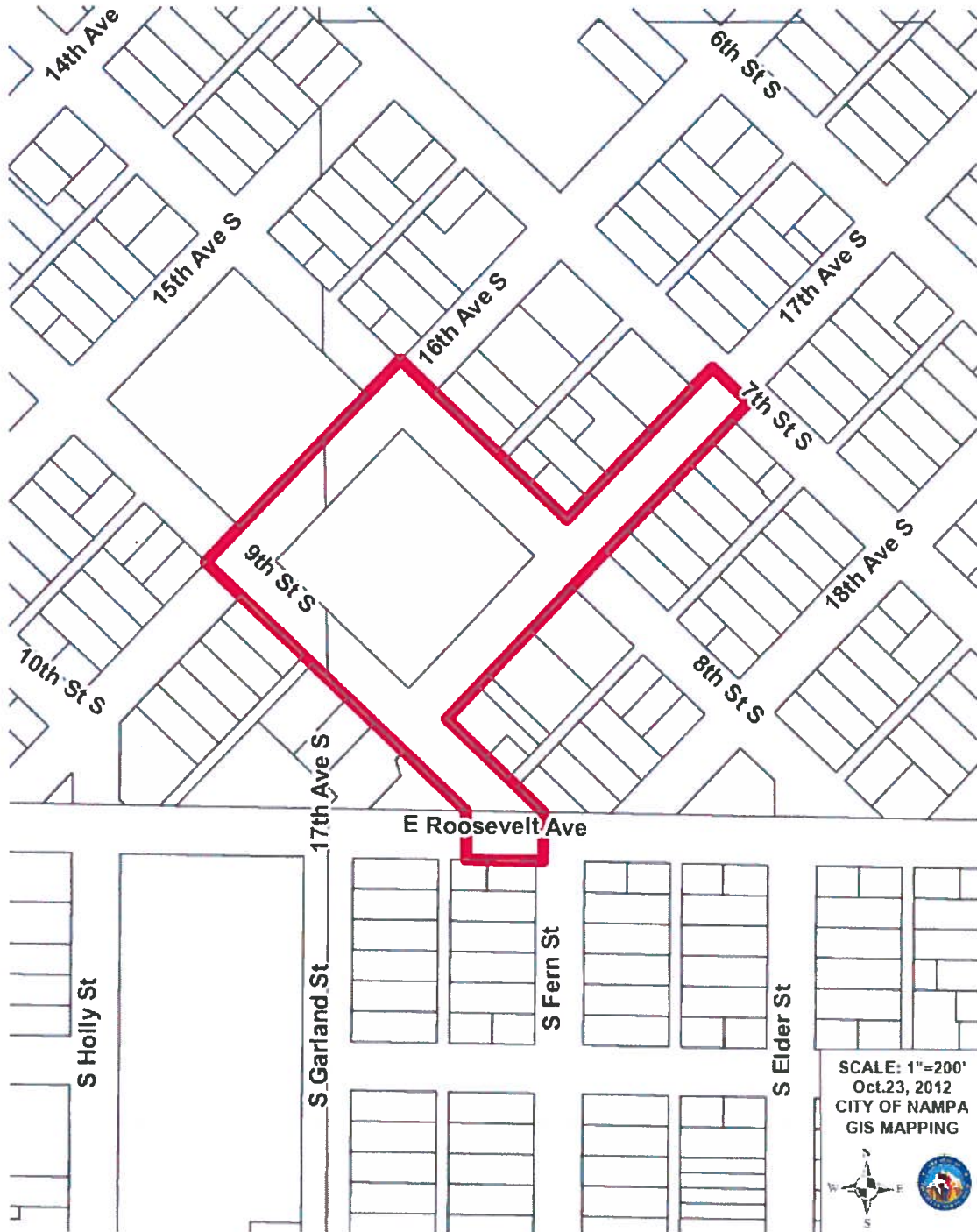


Exhibit D

		Ambulance	Mosquito Abatement	City of Nampa	Nampa Highway District #1	College of Western Idaho	Canyon County	Nampa School District 131
Year	Revenue Allocation	1.51%	0.82%	56.93%	8.10%	1.02%	30.56%	1.07%
2014	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
2015	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2016	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2017	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2018	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2019	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2020	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2021	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2022	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2023	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2024	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2025	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2026	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2027	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2028	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2029	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2030	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2031	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2032	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2033	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
2034	\$39,943	\$603	\$328	\$22,740	\$3,235	\$407	\$12,207	\$427
Total:	\$798,860	\$12,060	\$6,560	\$454,800	\$64,700	\$8,140	\$244,140	\$8,113.00