

Historic Mercy Hospital Urban Renewal District
FACT Sheet
October 29, 2012

1. Describe the project.

This project will convert the derelict historic Mercy Hospital to senior housing apartments. Approximately 80% of these units will be reserved for low income seniors and the remainder will be rented at market rate.

2. Who is the developer behind this project?

This project is being developed by Community Development, Inc. of Caldwell. This company has a solid track record of successful similar projects nationwide.

3. How will the project be financed?

This project will utilize low income housing tax credits, historic preservation tax credits and private financing.

4. Why is a new urban renewal district contemplated?

In order to successfully access the low income housing tax credits administered by Idaho Housing and Finance Association, local community matching dollars are required. Competitive applications require a minimum of 5% local match. A new urban renewal district could provide these funds at no cost to local taxpayers through a reimbursement contract for future tax increment.

5. How big would the new district be?

The new district need not be any larger than the single parcel on which the project is located and the necessary public right of way for water line upgrades.

6. Would urban renewal finance the private development?

No. Urban renewal would take no risk in the project. Urban renewal would provide funding for public infrastructure improvements to and around the site and a historic facade grant to restore the brick work and original wood windows.

7. What would urban renewal funds be used for?

Urban renewal funds would be used to reimburse developer paid expenses for public infrastructure associated with the development and historic facade restoration. Public infrastructure improvements will include water upgrades and traffic or streetscape enhancements.

8. How would the process work?

The private developer will bear all initial expenses related to the project. By contract, NDC would agree to reimburse the developer for public infrastructure expenses associated with the development up to an amount not to exceed 5% of total development costs. The funds to pay this reimbursement would be generated by the incremental new property taxes paid by the developer on the project.

9. How much money will NDC spend up front?

The NDC will not pay any monies for the benefit of this project up front. Any NDC investment will be in the form of reimbursement via new tax revenues created by the project.

10. What effect will this project have on the property tax payers of Nampa and the other taxing districts?

There will be NO immediate impact (positive or negative) to the taxpayers of Nampa or the other taxing districts. Each district will continue to receive revenues based on today's assessed value and will not suffer ANY decrease as a result of this new district. At the expiration of the reimbursement contract and the district, the districts will all receive the benefit of the increased valuation of this project added to the base assessment roles.

11. Won't this project just cause a "tax shift" to other taxpayers?

No. This property already exists and the taxing districts already provide services to it. The redevelopment of the parcel will not create undue additional service demands on the taxing districts. In fact, bringing the building up to code may reduce the need for service. Since this property has been vacant, the City of Nampa has had over 500 calls for service for Police, Fire and Code Enforcement related issues!

12. Wouldn't this tax reimbursement cause an undue burden on schools and other taxing districts?

No. No taxing district would lose funds if this property is redeveloped, There is only "upside" potential for districts as the new investment increases the value of the property and stabilizes neighborhood values.

13. How long would a new urban renewal district be in place?

Only until such time as the reimbursement contract is complete. It is estimated that this could occur in approximately 10 years.

14. What other projects or expenditures would take place by the NDC in the new district?

No other projects are anticipated in the district. The district would exist solely to facilitate the rehabilitation of the historic Mercy Hospital and for no other purpose.

15. What if the project fails? Are the citizens of Nampa on the hook in any way?

No. The NDC, the City of Nampa and its citizens will not be in any way responsible or liable for the success of the project. The developer will bear all development costs and will only be reimbursed if the project creates new tax revenue. If the project fails, no liability exists for the urban renewal agency or the City to reimburse costs.