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**PERSONAL & CONFIDENTIAL
PRIVILEGED COMMUNICATION -
ADVICE OF COUNSEL**

Board of Commissioners
ignite cda, Coeur d'Alene's Urban Renewal Agency

Re: Technology Initiative

Dear Board members:

We have been asked to provide guidance to the Coeur d'Alene Urban Renewal Agency dba ignite cda ("Ignite") concerning a potential technology initiative for the purpose of creating and supporting high tech jobs. In this letter we refer to this concept as the "Initiative." We understand at this point the original space proposed for the Initiative is unavailable; however, you have asked us to provide guidance as issues related to supporting the Initiative will likely arise again.

We understand Ignite's participation could take the form of a grant to another public entity, engaging an entity as a consultant or independent contractor to operate or manage the Initiative or participating through a lease or sublease transaction with another entity or entities. We understand it is likely the Initiative would be spearheaded by the University of Idaho. Other parties likely will include Innovation Collective, a for profit entity, and Gizmo, a private non-profit educational and "maker" space.

Because of the fluid nature of the Initiative, we are not providing a specific opinion on a particular form of the Initiative. However, properly structured, we believe the Initiative is permissible under Idaho Code §50-2000, *et seq.* and §50-2900, *et seq.* (collectively the "Law"). The information below details certain statutory authority that may be relied upon depending on the ultimate proposal for the Initiative.

Ignite has broad authority to carry out the objectives of the Law, including entering into contracts, property acquisition and disposition, and participation in demonstration projects to support economic development.

Idaho Code § 50-2007 sets forth a non-exhaustive list of urban renewal agency powers and states, in pertinent part:

Every urban renewal agency shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act, including the following powers in addition to others herein granted:

(a) To undertake and carry out urban renewal projects and related activities within its area of operation; and to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this act; . . .

. . .

(c) Within its area of operation, to acquire by purchase, lease, option . . . any real property . . . ;

. . .

(g) . . . carry out demonstrations and other activities...

Ignite may operate and maintain real property, as well as, contract with a third party to manage the real property. Idaho Code § 50-2011(c) states “[a]n urban renewal agency may temporarily operate and maintain real property acquired by it in an urban renewal area for or in connection with an urban renewal project pending the disposition of the property as authorized in this act, without regard to the provisions of subsection (a) above, for such uses and purposes as may be deemed desirable even though not in conformity with the urban renewal plan.” Additionally, Ignite has the authority to “make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this act.” I.C. § 50-2007(a).

Ignite has the right to enter into a lease and to dispose of leased property to a sublessee.

In addition to the powers relating to leasing in Idaho Code § 50-2007 above, Idaho Code § 50-2010 addresses property acquisition and states “[a]n urban renewal agency shall have the right to acquire by negotiation or condemnation any interest in real property, including a fee simple title thereto, which it may deem necessary for or in connection with an urban renewal project and related activities under this act.”

Likewise, the Agency has broad authority to dispose of its interests in real property. Idaho Code § 50-2011 provides “[a]n urban renewal agency may sell, lease, or otherwise transfer real property or any interest therein acquired by it for an urban renewal project, and may enter into contracts with respect thereto, in an urban renewal area for residential, recreational, commercial, industrial, educational or other uses or for public use” In disposing of its

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interest in real property, the Law allows for particular flexibility when dealing with other public entities or non-profit entities.

Additionally, the definition of urban renewal project expressly identifies agency activities including property acquisition and disposition. I.C. § 50-2903(13). The definition of project costs further authorizes revenue allocation funds to be expended on capital costs, financing costs, real property assembly costs, professional service costs, etc. I.C. § 50-2903(14).

Ignite has wide discretion in participating in projects with other public entities. Idaho Code § 50-2015(f) authorizes a public body to purchase, buy or otherwise acquire land in a project area from an agency for development with or without consideration.

To the extent Ignite's role in the Initiative may be for a limited period of time as the Initiative considers a final location for its program and the participants in the program, such temporary participation is supported by the Law. I.C. § 50-2011(c).

Additionally, an agency for purposes of carrying out of an urban renewal project and related activities and include in any contract provisions to fulfill such of said conditions as it may deem reasonable and appropriate. I.C. § 50-2007(b).

An Agency may also employ technical experts and other agents permanent and temporary as it may require. I.C. § 50-2006.

Finally, an agency may engage professional services to accomplish the urban renewal project. I.C. 50-2903(14).

The above described statutory provisions may not be an exhaustive list of applicable statutory authority depending on the ultimate participation of Ignite in the Initiative; however, based on the above described authority we believe Ignite could participate in a properly structured Initiative.

Sincerely,

ELAM & BURKE
A Professional Association



Ryan P. Armbruster

RPA/ksk

Enclosures

cc: Tony Berns
Danielle Quade