THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Urban Renewal Agency Agenda

Monday, February 14, 2022, 12:00 PM

Council Chambers
203 Main Avenue East- Twin Falls, Idaho

Members: Rudy Ashenbrener, Andy Hohwieler, Dan Brizee, Jan Rogers, Alexandra Caval, JJ McBride, Dave McAlindin

1) Confirmation of Quorum/Call Meeting to Order
2) Conflict of Interest Declaration
3) Consent Calendar
    a) **ACTION ITEM:** Request to approve 1) Minutes for the January 24, 2022 meeting; 2) January 2022 Financial Report; 3) February 2022 Accounts Payable.
    By: Lorrie Bauer, Administrative Assistant
4) Reports/Updates
    a) **INFORMATIONAL:** Executive Director's Report
    By: Travis Rothweiler, City Manager & Interim Executive Director
5) Items of Consideration
    a) **ACTION ITEM:** Presentation and Request for Approval of the FY2021 Audited Financial Statements.
    By: Brent Hyatt, Assistant Finance Director
    b) **ACTION ITEM:** Consider tentative approval of the draft 2021 Annual Report and schedule a public hearing for March 14, 2022, to take comments from the public, and instruct staff to publish all required notices.
    By: Travis Rothweiler, City Manager & Interim Executive Director
    c) **ACTION ITEM:** Consider approval of Resolution No. 2022-01 accepting the Orchard Drive East Urban Renewal District (Proposed) Eligibility Report, dated January 2022, and directing the Executive Director to transmit the Report and Resolution to the City Council for its consideration for designation of an urban renewal area.
    By: Meghan Conrad, Elam & Burke
    d) **ACTION ITEM:** Consider approval of Resolution No. 2022-02 to transfer real property owned by the Agency to the City of Twin Falls.
    By: Travis Rothweiler, City Manager & Interim Executive Director
6) General Input/Announcements - Public/Staff
7) Upcoming Meeting(s)
    March 14, 2022
8) Adjournment

Any person(s) needing special accommodations to participate in the above-noticed meeting could contact Lorrie Bauer (208) 735-7313 at least two working days before the meeting. Si desea esta información en Español, por favor llame a Josh Palmer al teléfono (208) 735-7312.

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Minutes

Monday, January 24, 2022, 12:00 PM
- SPECIAL MEETING -
Council Chambers
203 Main Avenue East- Twin Falls, Idaho

Members: Rudy Ashenbrener, Andy Hohwieler, Dan Brizee, Jan Rogers, Alexandra Caval, JJ McBride, Dave McAlindin

1) **Confirmation of Quorum/Call Meeting to Order**
Chair Ashenbrener called the meeting to order at 12:02 PM. A quorum was present.

Present:	Jan Rogers, Rudy Ashenbrener, Andy Hohwieler, Alexandra Caval, Dave McAlindin, JJ McBride, Dan Brizee
Absent:	None
Staff Present:	Lorrie Bauer, Administrative Assistant; Jesse Schuerman, Staff Engineer; Travis Rothweiler, City Manager & Interim URA Executive Director; Jonathan Spendlove, Planning & Zoning Director; Meghan Conrad, Special Counsel; Ruth Pierce, City Council Liaison; Don Hall, County Commissioner

2) **Conflict of Interest Declaration**
None.

3) **Consent Calendar**

a) Request to approve 1) Minutes for December 13, 2021 meeting; 2) December 2021 Financial Report; 3) January 2022 Accounts Payable.
MOTION: Jan Rogers moved to approve the consent calendar. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

4) **Reports/Updates**

a) Executive Director's Report
Interim Executive Director Rothweiler reported the following:

Visioning for the Future: Planning for a new revenue allocation is in progress. Previous meeting activities and results were shared. Ideas for the new area included a convention center, continued development on Main Avenue, assistance with relocating the 2nds, and traffic calming. Water lines, sewer lines, curb & gutters, sidewalks, fiber optic cable, etc. were also included. A series of reports will be prepared to continue the progress.

Orchard Drive East Area: The eligibility report will be presented at the February meeting.

Annual Report: The 2021 annual report is being prepared and will be introduced at the February meeting.

Parking Structure: The conceptual plan was previously approved by the Agency as well as Planning and Zoning and the City Council. There are potential changes to the design that may be requested as they are working on the properties closer to 2nd & Shoshone. Bill Truax and the 102 Main Avenue Group will continue to work together to make sure all parties are in concert as the project requires the ownership to agree to what is being constructed throughout the entire block.

5) Items of Consideration

a) Consideration of a request from the Children's Museum of the Magic Valley for a 60-day extension to supply their funding plan.
Travis presented the request on behalf of the Children's Museum.
MOTION: Dan Brizee moved to accept the request for a 60-day extension on their financing plan. Alexandra Caval seconded the motion. Roll call vote showed all members present voted in favor of the motion, 7 to 0.

b) Request to approve an allocation of up to $5,850 for replacement of 13 trees that were removed as part of the 2016 Downtown Joint Utility Upgrade project in RAA #4-1.
Wendy Davis explained the request. Due to the City's tree ordinance, the Agency needs to replace the 13 trees that were removed due to project requirements. Since the trees cannot be put in the same place they were removed from, the Agency asked to attempt to put the trees back into the RAA 4-1 district, as a first choice. Discussion ensued.
MOTION: Jan Rogers moved to approve an allocation up to, not to exceed, $5,850 for the replacement of 13 trees that were removed as part of the 2016 Downtown Joint Utility Upgrade project in RAA #4-1. Dan Brizee seconded the motion. Roll call vote showed all members present voted in favor of the motion. Approved 7 to 0.

c) Consider approval of an engagement letter submitted by Elam & Burke for the scope of services relating to a proposed new revenue allocation area (Orchard Drive East Project).
Meghan Conrad shared the purpose of the engagement letter and the costs involved. Discussion ensued.
MOTION: Andy Hohwieler moved to approve the engagement letter submitted by Elam & Burke for the scope of services relating to a proposed new revenue allocation area, Orchard Drive East. Dave McAlindin seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

d) Request to approve Kushlan Associates Task Order #2 for an Eligibility Report and Economic Feasibility Report relating to a proposed new revenue allocation area (Orchard Drive East Project).
Megan Conrad explained the task request and anticipated costs. Discussion ensued.
MOTION: Jan Rogers moved to approve the Kushlan Associates Task Order #2 for an eligibility study and economic feasibility report relating to the proposed new revenue allocation area, Orchard Drive East project. JJ McBride seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

6) General Input/Announcements - Public/Staff

Commissioner Brizee questioned if the URA could spend money on enhancing the overall beauty of city-owned parking lots and properties. Counselor Conrad answered yes, the Agency and City can participate in joint projects to improve public space. Discussion ensued.

7) Upcoming Meeting(s)

a) Monday, February 14, 2022

8) Adjournment

MOTION: JJ McBride moved to adjourn. Dave McAlindin seconded the motion. Roll call vote showed all members present voted in favor of the motion, 7 to 0.
The meeting adjourned at 12:55 PM.

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Lorrie Bauer, Administrative Assistant

Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss
January 2022

			Jan 22
Ordinary Income/Expense			
Income			
Investment Income			256.89
Rental Income			2,333.33
Total Income			2,590.22
Gross Profit			2,590.22
Expense			
General Development Projects			1,201.96
RAA 4-1			
City Property Expense			
Commons (129 Hansen) & Main	1,199.34		
Bowyer Park (122 4th Ave S)	12.01		
Total City Property Expense		1,211.35	
Other Properties/Projects		6,851.45	
Total RAA 4-1			8,062.80
Legal Expense			7,412.50
Management Fee			208,000.00
Meeting Expense			149.85
Professional Fees			1,087.95
Repairs and Maintenance			69,889.60
Total Expense			295,804.66
Net Ordinary Income			-293,214.44
Net Income			**-293,214.44**

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October 2021 through January 2022

	Oct '21 - Jan 22	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Washington Fed. Bond Proceeds	0.00	942,700.00	-942,700.00	0.0%
Bank Bond Proceeds	0.00	900.00	-900.00	0.0%
Investment Income	1,056.57	3,325.00	-2,268.43	31.8%
Other Income	0.00	150,000.00	-150,000.00	0.0%
Property Taxes	175,434.12	7,820,517.00	-7,645,082.88	2.2%
Rental Income	9,333.32	30,000.00	-20,666.68	31.1%
Total Income	185,824.01	8,947,442.00	-8,761,617.99	2.1%
Gross Profit	185,824.01	8,947,442.00	-8,761,617.99	2.1%
Expense				
General Development Projects	41,146.53			
RAA 4-1				
City Property Expense				
Commons (129 Hansen) & Main	2,370.79			
Bowyer Park (122 4th Ave S)	45.28			
Total City Property Expense	2,416.07			
Downtown Art	8,383.00			
Other Properties/Projects	15,449.44			
RAA 4-1 - Other	0.00	2,871,218.00	-2,871,218.00	0.0%
Total RAA 4-1	26,248.51	2,871,218.00	-2,844,969.49	0.9%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	0.00	1,419,167.00	-1,419,167.00	0.0%
Debt Pay. (Chobani) Principal	0.00	2,356,000.00	-2,356,000.00	0.0%
Total RAA 4-3 (Chobani)	0.00	3,775,167.00	-3,775,167.00	0.0%
Bond Trustee Fees	0.00	5,000.00	-5,000.00	0.0%
Community Relations & Website	0.00	500.00	-500.00	0.0%
Debt Payments - Interest	0.00	656,487.00	-656,487.00	0.0%
Debt Payments - Principal	0.00	2,945,100.00	-2,945,100.00	0.0%
Dues and Subscriptions	4,600.00	5,000.00	-400.00	92.0%
Insurance Expense	0.00	1,680.00	-1,680.00	0.0%
Legal Expense	25,906.35	65,000.00	-39,093.65	39.9%
Management Fee	208,000.00	208,000.00	0.00	100.0%
Meeting Expense	785.43	1,500.00	-714.57	52.4%
Miscellaneous	0.00	500.00	-500.00	0.0%
Office Expense	0.00	500.00	-500.00	0.0%
Prof. Dev.\Training	0.00	2,500.00	-2,500.00	0.0%
Professional Fees	40,586.79	30,000.00	10,586.79	135.3%
Property Tax Expense	84.76			
Repairs and Maintenance	69,889.60	69,890.00	-0.40	100.0%
Total Expense	417,247.97	10,638,042.00	-10,220,794.03	3.9%
Net Ordinary Income	-231,423.96	-1,690,600.00	1,459,176.04	13.7%
Other Income/Expense				
Other Income				
Transfers In	0.00	4,334,827.00	-4,334,827.00	0.0%
Transfers Out	0.00	-4,334,827.00	4,334,827.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	**-231,423.96**	**-1,690,600.00**	**1,459,176.04**	**13.7%**

URA Accounts Payable - February, 2022

Check #	Date	Paid Amount	Name	Account	Fund	Memo
4600	2/4/2022	3,344,485.56	Zions First National Bank	Zions #8616 - Excess Funds	RAA 4-3(Chobani)	Taxes Collected for Chobani - #8616
4600	2/4/2022	620,828.20	Zions First National Bank	Zions #8617 - Excess Funds	RAA 4-4(Clif)	Taxes Collected for Clif Bar - #8617
4601	2/7/2022	23,194.25	Washington Federal	Debt Payments - Interest	General	Payment of Interest on Bonds - 4647541
4601	2/7/2022	4,252.50	Washington Federal	Debt Payments - Interest	General	Payment of Interest on Bonds - 4603726
4602	2/7/2022	3,859.68	Zions First National Bank	Zions #8616 - Excess Funds	RAA 4-3(Chobani)	Taxes Collected for Chobani - #8616 (addtl funds from RAA 1-0005)
4603	2/9/2022	10,114.50	Elam & Burke	Legal Expense	General	Professional Fees for misc tasks / #193990
4604	2/9/2022	12.13	Idaho Power	Bowyer Park (122 4th Ave S)	RAA 4-1(Original)	Power for #2220512228 for 20220108
4604	2/9/2022	245.18	Idaho Power	Commons (129 Hansen) & Main	RAA 4-1(Original)	Power for #2224040226 for 20220108
4605	2/9/2022	242.41	Intermountain Gas Company	Commons (129 Hansen) & Main	RAA 4-1(Original)	Gas for #73747812375 for 20220118
4606	2/9/2022	117.25	Kimberly Nurseries	Other Properties/Projects	RAA 4-1(Original)	155 5th Av S - Snow Removal #8248
4606	2/9/2022	142.50	Kimberly Nurseries	Other Properties/Projects	RAA 4-1(Original)	Idaho & 3rd St S - Snow Removal #8233
4607	2/9/2022	155.25	Lorrie Bauer	Meeting Expense	General	Reimbursement for 20220124 Lunch

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, February 14, 2022

To: Urban Renewal Agency of the City of Twin Falls

From: Brent Hyatt, Assistant Finance Director , Assistant Finance Director

ACTION ITEM

Request:

Presentation and Request for Approval of the FY2021 Audited Financial Statements.

Background:

This is the annual audit of financial transactions for fiscal year 2020-21 as prepared by Mahlke Hunsaker & Co.

Approval Process:

A majority vote by the Board would carry the motion that is put forth.

Budget Impact:

N/A

Regulatory Impact:

N/A

Conclusion:

Staff recommends that the Board approve the audit for FY2021.

Attachments:

1. 2021 URA Audited Financial Statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2021

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Urban Renewal Agency of the
City of Twin Falls, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho , as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 25-27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2022, on our consideration of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho
January 22, 2022

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2021

		Governmental Activities
Assets		
Cash and cash equivalents	$	5,663,182
Receivables:		
Property taxes		60,948
Other governments		1,219
Real estate		3,150,167
Total Assets	$	8,875,516
Liabilities		
Accounts payable	$	61,386
Accrued interest		4,116,093
Deposits payable		20,000
Development Agreement		10,234,049
Project Improvement Reimbursement Agreement		15,176,070
Noncurrent liabilities		
Due to other governments		3,000,000
Due within one year		4,526,000
Due in more than one year		31,197,000
Total Liabilities		68,330,598
Net Position		
Net investment in capital assets		(57,982,952)
Restricted for:		
Debt service		3,008,394
Redevelopment		407,160
Unrestricted		(4,887,684)
Total Net Position		(59,455,082)
Total Liabilities and Net Position	$	8,875,516

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Activities

For the Year Ended September 30, 2021

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets	
					Primary Government	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary Government:						
Governmental Activities:						
General government	$ 363,906	$ -	$ -	$ -	$ (363,906)	$ (363,906)
Community development	9,707,949	-	-	-	(9,707,949)	(9,707,949)
Interest on long-term debt	2,728,265	-	-	-	(2,728,265)	(2,728,265)
Total Governmental Activities	12,800,120	-	-	-	(12,800,120)	(12,800,120)
General Revenues and Transfers:						
Taxes:						
Property taxes, levied for general tax increment purposes					7,206,184	7,206,184
Other income					500	500
Investment income					6,239	6,239
Rental Income					26,000	26,000
Contributions					231,100	231,100
Total General Revenues and Transfers					7,470,023	7,470,023
Changes in Net Position					(5,330,097)	(5,330,097)
Net Position, October 1, 2020					(54,124,985)	(54,124,985)
Net Position, September 30, 2021					$ (59,455,082)	$ (59,455,082)

The accompanying notes are an integral part of the financial statements

FINANCIAL STATEMENTS

Fund Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Fund Balance Sheet

GOVERNMENTAL FUNDS

September 30, 2021

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,680,421	$ 982,250	$ 3,000,511	$ 5,663,182
Property tax receivable	-	60,948	-	60,948
Due from other governments	-	1,219	-	1,219
Total Assets	$ 1,680,421	$ 1,044,417	$ 3,000,511	$ 5,725,349
Liabilities				
Accounts payable	$ 51,482	$ 9,904	$ -	$ 61,386
Deposits payable	-	20,000	-	20,000
Total Liabilities	51,482	29,904	-	81,386
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	56,567	-	56,567
Fund Balances				
Restricted fund balance:	-	981,339	3,000,511	3,981,850
Unrestricted fund balance:				
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	1,628,939	(23,393)	-	1,605,546
Total Fund Balances	1,628,939	957,946	3,000,511	5,587,396
Total Liabilities and Fund Balances	$ 1,680,421	$ 1,044,417	$ 3,000,511	$ 5,725,349

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	$ -	$ 7,232,960	$ -	$ 7,232,960
Rental income	26,000	-	-	26,000
Investment income	5,481	183	575	6,239
Other income	500	-	-	500
Total Revenues	31,981	7,233,143	231,675	7,496,799
Expenditures				
Current				
General government and administration	277,862	17,347	-	295,209
Area development and improvements	58,636	9,649,313	-	9,707,949
Real estate expense	-	68,697	-	68,697
Debt service				
Principal	-	1,578,450	2,241,000	3,819,450
Interest and other charges	-	86,452	2,155,313	2,241,765
Total Expenditures	336,498	11,400,259	4,396,313	16,133,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(304,517)	(4,167,116)	(4,164,638)	(8,636,271)
Other Financing Sources (Uses)				
Transfers in (out)	150,000	(4,306,755)	4,156,755	-
Construction advances	-	9,024,656	-	9,024,656
Total Other Financing Sources (Uses)	150,000	4,717,901	4,156,755	9,024,656
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(154,517)	550,785	(7,883)	388,385
Fund Balances - Beginning of Year	1,783,456	407,161	3,008,394	5,199,011
Fund Balances - End of Year	$ 1,628,939	$ 957,946	$ 3,000,511	$ 5,587,396

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Reconciliation of Governmental Funds Balance Sheet to the Government-wide Statement of Net Position
September 30, 2021

Governmental Fund Balances	$	5,587,396
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		3,150,167
Certain property tax collections are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds		56,567
Long-term liabilities, including bonds, real estate notes, and revenue notes and related accrued interest, are not due and payable in the current period and therefore are not reported in the governmental funds		(68,249,212)
Total Net Position of Governmental Activities	$	(59,455,082)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities for the year ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds	$	388,385
Amounts reported for governmental activities in the Statement of Activities are different because:		
Property tax revenues in the government-wide statement of activities include economic resources that are not reported as revenues in the governmental fund operating statement		(26,776)
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets		3,819,450
Accrued interest is reported in the statement of activities, but does not require the use of financial resources and therefore is not reported as an expenditure in governmental funds		(486,500)
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources		(9,024,656)
Changes in Net Position of Governmental Activities	$	(5,330,097)

The accompanying notes are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS

1. *SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES*

Organization

The Urban Renewal Agency of the City of Twin Falls, Idaho was organized under Idaho law on July 19, 1965 to rehabilitate, conserve, and redevelop deteriorated or deteriorating areas in the City of Twin Falls to increase the tax base, promote economic development and promote employment.

In April 1998, the Urban Renewal Agency adopted an Urban Renewal Plan for Urban Renewal Area No. 4 and created Revenue Allocation Area No. 4. The original area included the old town area and much of the industrial area of Twin Falls, stretching from 2800 East to 3300 East between the South Park Avenue/ Kimberly Road line on the north and Orchard Avenue on the south. Later a call center building on Poleline Road and Revenue Allocation Area's No. 4-3 and 4-4 were added. The following Revenue Allocation Areas now exist:

> Revenue Allocation Area No. 4-1 includes limited areas within Urban Renewal Area No. 4. In July of 2013 the Board of Directors approved an expansion of the original Revenue Allocation Area 4-1. The expansion, of 10%, was towards the central downtown area of Twin Falls.
>
> Revenue Allocation Area No. 4-3 was created in November 2011. Revenue Allocation Area No. 4-3 consists of approximately two hundred and twenty acres and is generally located south of Kimberly Road (3800 North of Highway 30, west of 3300 East and north of the railroad).
>
> Revenue Allocation Area No. 4-4 was created in May, 2015 and consists of approximately ninety acres. It is generally located south of Kimberly Road (3800 North or Hwy 30), west of 3300 East, and south of the railroad right-of-way.

Under Chapter 20, Title 50 of the Idaho Code, the Agency is an independent public body, corporate and politic. For financial reporting purposes only, the Agency is a discretely presented component unit of the reporting entity of the City of Twin Falls, Idaho.

Financial Reporting Entity

The Agency's financial statements include the accounts of all Agency operations. Governmental accounting and financial reporting standards require the inclusion of any organizations considered a component unit of the reporting entity.

Urban Renewal Agency of the City of Twin Falls, Idaho has no component units, but is considered a component unit of the City.

The financial statements of the Urban Renewal Agency of the City of Twin Falls, Idaho, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the governmental Agency's accounting policies are described below.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Basis of Presentation, Measurement Focus and Basis of Accounting

The Agency's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements
The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Agency as a whole. The primary government is presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the Agency's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The Agency does not have any business-type activities.

The statement of net position presents the financial position of the governmental activities of the Agency at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Agency does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Agency's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Other revenue sources not properly included with program revenues are reported as general revenues of the Agency. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Agency.

Fund Financial Statements
During the year, the Agency segregates transactions related to certain Agency functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Agency at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Fund Financial Statements-continued
Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting
The Agency uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Agency has only one category of funds: governmental.

Governmental Funds
Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The Agency reports the difference between its governmental fund assets and its liabilities and deferred inflows of resources as fund balance. The following are the Agency's major governmental funds:

Major Governmental Funds
The *general fund* is the Agency's primary operating fund. It accounts for all financial resources of the agency, except those required to be accounted for in another fund.

The *redevelopment fund* accounts for revenue sources that are legally restricted to expenditures for specific purposes.

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or non-expendable trust funds.

<u>Measurement Focus, Basis of Accounting and Basis of Presentation</u>

Government-wide Financial Statements
The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities and deferred inflows of resources associated with the operation of the Agency are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements
All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Agency, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues-Non-exchange Transactions

Non-exchange transactions, in which the Agency receives value without directly giving equal value in return, include property taxes, grants and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Agency must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Agency on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized in the governmental funds.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: Property taxes and interest. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY

Deposits and Investments
Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Agency. Short-term investments are all in U. S. Treasury money market funds regulated by the Securities and Exchange Commission.

State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are stated at fair market value at year end.

The Agency is a voluntary participant in the State of Idaho Local Government Investment Pool (LPIG). The LPIG is regulated by State of Idaho Code under the oversight of the Treasurer of the State of Idaho. The fair value of the Agency's investments in the pool is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk
For deposits and investments, custodial credit risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The Agency does not have a policy for custodial credit risk outside of the deposit and investment agreements.

Credit Risk
Credit risk is the risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's Standard & Poor's and Fitch's. The investments of the Agency are not rated, and the Agency's policy does not restrict them to rated.

Receivables and Payables
All trade and property tax receivables are shown net of any allowances for collectability.

Prepaid Items
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets
Tax increment property tax revenues are restricted first to the ongoing payment of revenue bonds outstanding. When received, these revenues are deposited in a separate account controlled by a bank trustee. All use of these funds must be requisitioned, and approval of the trustee is required before payment is made.

The amount shown as restricted cash in the financial statements is the maximum annual debt service requirements for both principal and interest on the bonds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Capital Assets
In its process and efforts to rehabilitate many areas of the City of Twin Falls, the Agency has acquired certain properties and made improvements such as streets, parking lots and parks. Many of these parcels acquired and constructed have been contributed to the City of Twin Falls but certain real estate acquisitions are held by the Agency for future rehabilitation, conservation, redevelopment, and sale in accordance with its purpose.

Donated assets are stated at fair value on the date donated.

Deferred Inflows of Resources
In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund Transactions
Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activity's column are eliminated. Interfund transactions are reported as operating transfers in conformity with generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations
All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are reported as an expense of the current period. Refunding of debt may result in deferred gains or losses and are reported as deferred inflows and outflows of resources.

The difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Accrued Liabilities and Long-Term Obligations-continued
In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity
Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Governmental Fund Balances
Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable fund balance - Includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments; or are imposed by law (through constitutional provisions or enabling legislation.

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the Agency’s highest level of decision-making authority, the Board of Directors.

Assigned Fund Balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This intent can be expressed by the Board of Directors through the budgetary process.

Unassigned Fund Balance – This classification includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Net Position
Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The Agency applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Estimates
Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is at least reasonably possible that the significant estimates used will change within the next year.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets
Annually by September 1, the Agency is required to adopt and publish a budget for the next fiscal year. This budget is prepared by fund and includes historical information for the prior two years.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, redevelopment, and debt service funds. All annual appropriations lapse at fiscal year-end.

Excess of Expenditures over Appropriations
For the fund year ended September 30, 2021, the Debt Service Fund exceeded appropriations in the amount of $7,883.

Other
The Agency’s Funds are requiring more accountability as additional revenue allocation areas are added. No allocation was made of property tax revenues to the general funds revenues, as has been the practice in past years, in an effort to first use the general funds reserves before requiring revenue allocation areas to contribute to the General Funds annual overhead.

3. CASH AND INVESTMENTS

Cash and Cash Equivalents – A reconciliation of cash and cash equivalents at September 30, 2021 is as follows.

Cash in bank	$	22,184
State Investment Pool		1,697,969
Money-market bond funds		3,943,029
Total Cash & Cash Equivalents	$	5,663,182

The reconciled bank balance is covered by $250,000 federal depository insurance with the remainder covered by collateral held by the Agency's agent in the Agency's name.

The Agency has no investments in foreign currency and no expenses to foreign currency risk.

4. *TAXES RECEIVABLE AND UNAVAILABLE REVENUE*

The Urban Renewal Agency operates within Twin Falls County, Idaho. Idaho counties are responsible for collecting property taxes and remitting them to the various taxing entities within the County. Annually, taxes on property are due on the 20th of December; however, they may be paid in two installments with the second installment due June 20 in the following year. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date.

Taxes on real property are a lien on the property and attach on July 1, of the year for which taxes are levied. After a three-year waiting period, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner, and such other persons described by statute, by paying all back taxes and accumulated penalties, interest and costs.

In the governmental fund statements, taxes receivable and unavailable revenue consist of property tax revenue yet to be collected. Amount due from other governments is the property tax revenue estimated to be collected by Twin Falls County after year end and remitted to the Agency through November 2021.

5. INTERFUND TRANSFERS

A summary of interfund transfers follows:

	Transfers In	Transfers Out
General	$ 150,000	$ -
Redevelopment	-	4,306,755
Debt Service	4,156,755	-
	$ 4,306,755	$ 4,306,755

6. *CAPITAL ASSETS*

A summary of activity in the general fixed for the Agency for the year ended September 30, 2021, was as follows:

	Balance, September 30, 2020	Additions	Deletions or Transfers	Balance, September 30, 2021
Governmental Activities:				
Land and Buildings	$ 3,150,167	$ -	$ -	$ 3,150,167
	$ 3,150,167	$ -	$ -	$ 3,150,167

7. *LONG-TERM DEBT*

All long-term debt the Agency has issued are revenue allocation bonds that are payable, both principal and interest, solely from the revenues the Agency derives from the increased property taxes generated from the revenue allocation area described in the bond ordinance.

Revenue bonds and notes

Outstanding debt on September 30, 2021 consists of the following:

Revenue Allocation Bond, Series 2016A, dated July 1, 2016 and maturing September 1, 2036. The proceeds of the bonds provided funds to repay interim financing for the Clif Bar Project, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. The bonds are term bonds that require semiannual payments on March 1, and September 1 each year. The bonds bear interest at 5.5%.	$11,050,000
Revenue Allocation Refunding Bonds, Series 2015A (Tax Exempt), dated February 5, 2015 and maturing August 1, 2022. The proceeds of the bonds provided funds to refund prior obligations issued, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. The bonds are term bonds that require annual sinking fund deposits on August 1 each year. The bonds bear interest at 2.1%.	405,000

7. LONG-TERM DEBT – continued

Revenue Allocation Bonds, Series 2013A, dated February 21, 2013 and maturing April 1, 2032. The proceeds of the bonds provided funding to certain urban renewal projects. The bonds are term bonds that require annual sinking fund deposits on April 1 each year. The bonds bear interest at 6.318%. Repayment of the bonds is guaranteed by Chobani Global Holding, Inc.	22,463,000
Revenue Allocation Bonds, Series 2015C, dated July 23, 2015 and maturing August 1, 2022. The proceeds of the bonds were used and will be used to fund renewal projects along or near the Main Ave. of Twin Falls, downtown. The bonds are term bonds that require semi-annual interest payments on February 1 and August 1. Annual principal payments are due on August 1 each. The bonds interest rates vary; currently the rate is 1.534%.	1,805,000
Total	$ 35,723,000

Expected annual maturities of these obligations are as follows:

September 30,	Total	Interest	Principal
2022	$ 6,597,636	2,071,636	4,526,000
2023	4,276,433	1,876,433	2,400,000
2024	4,198,995	1,730,995	2,468,000
2025	4,121,276	1,581,276	2,540,000
2026	4,053,610	1,426,610	2,627,000
2027-2031	19,167,526	4,611,526	14,556,000
2032-2036	7,418,572	812,572	6,606,000
Total	$ 49,834,048	$ 14,111,048	$ 35,723,000

The Agency is also indebted to Chobani Idaho, LLC. The Agency entered into a Projects Improvements Reimbursement Agreement on May 9, 2016, to reimburse cost incurred by Chobani to construct certain Project Improvements authorized by the Development Agreement, including site remediation, a water storage tank and a wastewater equalization tank. On September 30, 2021, the Agency was indebted in the amount of $15,176,070. The Agency is also indebted to Clif Bar & Company. The Agency entered into a Development Agreement on October 17, 2013, to reimburse cost incurred by Clif Bar & Company to construct certain Project Improvements authorized by the Development Agreement. On September 30, 2021, the Agency was indebted in the amount of $10,234,049.

7. LONG-TERM DEBT – continued

The Agency is also indebted to the City of Twin Falls. The Agency entered into an agreement on April 10, 2017 to purchase a parcel of real property, including a wastewater treatment facility. The property was then transferred to Con Agra. On September 30, 2021, the Agency was indebted in the amount of $3,000,000. The obligation bears no interest and requires repayment as incremental tax revenue from Revenue Allocation Area 4-1 becomes available and full repayment prior to the area's closure.

Changes in Long-Term Debt

During the year ended September 30, 2021, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2020	Additions	Repayments	Balances, September 30, 2021
Revenue Allocation Bonds, Series 2013A	$ 23,969,000	$ -	$ 1,506,000	$ 22,463,000
Revenue Allocation Bonds, Series 2015A-Tax Exempt	623,000	-	218,000	405,000
Revenue Allocation Bonds, Series 2015C-Taxable	2,777,000	-	972,000	1,805,000
Revenue Allocation Bonds, Series 2016	11,785,000	-	735,000	11,050,000
Total Revenue Bonds	39,154,000	-	3,431,000	35,723,000
Chobani Idaho, LLC-Projects Improvements Reimbursement Agreement	6,539,864	9,024,656	388,450	15,176,070
Clif Bar-Development Agreement	10,234,049	-	-	10,234,049
City of Twin Falls Agreement	3,000,000	-	-	3,000,000
Total Agreements	19,773,913	9,024,656	388,450	28,410,119
Total	$ 58,927,913	$ 9,024,656	$ 3,819,450	$ 64,133,119

7. LONG-TERM DEBT – continued

The bonds, or other debt of the Agency are not indebtedness, within the meaning of any constitutional or statutory debt limitation and are not and will not be a debt of the Agency of Twin Falls, and the Agency shall not be liable thereon.

8. *MANAGEMENT AGREEMENT*

The Agency and the City of Twin Falls entered into an agreement in March 1993, where the City agreed to provide administrative, legal, engineering, budgeting, and accounting services in exchange for a fee paid by the Agency. The amount is determined annually and was $208,000 for the year.

9. *COMMITMENTS AND SUBSEQUENT EVENTS*

The COVID-19 pandemic has developed rapidly in 2021, with a considerable number of cases. Measures taken by various governments to contain the virus have affected economic activity.

At this stage, the impact on Urban Renewal Agency's business and results have not been significant and based on our experience to date we expect this to remain the case.

The Agency has evaluated subsequent events through January 25, 2022, the date which the financial statements were available to be issued.

10. *BOND COVENANT COMPLIANCE*

The Agency is subject to various covenants as a result of bonds issued by the Agency. For example, the bonds may require an annual audit, timely payments, an adequate cash reserve in case of an overdue payment, sufficient revenue collections, or notifications of "Listed Events." During the year ended September 30, 2021, the Agency was in compliance with these covenants.

REQUIRED SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Rental income	$ 15,996	$ 15,996	$ 26,000	$ 10,004
Investment Income	45,000	45,000	5,481	(39,519)
Other income	150,000	150,000	500	(149,500)
Total Revenues	210,996	210,996	31,981	(179,015)
Expenditures				
Current				
General government	332,380	332,380	277,862	54,518
Area development and improvements	1,928,616	1,928,616	58,636	1,869,980
Total Expenditures	2,260,996	2,260,996	336,498	1,924,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,050,000)	(2,050,000)	(304,517)	1,745,483
Other Financing Sources (Uses)				
Transfers in (out)	-	-	150,000	150,000
Proceeds from the sale of assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	150,000	150,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (2,050,000)	$ (2,050,000)	(154,517)	$ 1,895,483
Fund Balance - Beginning of Year			1,783,456	
Fund Balance - End of Year			$ 1,628,939	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Redevelopment Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 7,718,000	$ 7,718,000	$ 7,232,960	$ (485,040)
Investment income	10,000	10,000	183	(9,817)
Other Income	-	-	-	-
Total Revenues	7,728,000	7,728,000	7,233,143	(494,857)
Expenditures				
Current				
General government and administration	-	-	17,347	(17,347)
Area development and improvements	699,367	699,367	9,649,313	(8,949,946)
Real estate expense	-	-	68,697	(68,697)
Debt service				
Principal	2,939,887	2,939,887	1,578,450	1,361,437
Interest and other charges	92,633	92,633	86,452	6,181
Total Expenditures	3,731,887	3,731,887	11,400,259	(7,668,372)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,996,113	3,996,113	(4,167,116)	(8,163,229)
Other Financing Sources (Uses)				
Construction advances	-	-	9,024,656	9,024,656
Transfers in (out)	(4,346,113)	(4,346,113)	(4,306,755)	39,358
Total Other Financing Sources (Uses)	(4,346,113)	(4,346,113)	4,717,901	9,064,014
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (350,000)	$ (350,000)	550,785	$ 900,785
Fund Balance - Beginning of Year			407,161	
Fund Balance - End of Year			$ 957,946	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Investment income	$ 50,200	$ 50,200	$ 575	(49,625)
Contributions	-	-	231,100	231,100
Total Revenues	50,200	50,200	231,675	181,475
Expenditures				
Debt service				
Principal	2,241,000	2,241,000	2,241,000	-
Interest and other charges	2,155,313	2,155,313	2,155,313	-
Total Expenditures	4,396,313	4,396,313	4,396,313	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,346,113)	(4,346,113)	(4,164,638)	181,475
Other Financing Sources (Uses)				
Transfers in (out)	4,346,113	4,346,113	4,156,755	(189,358)
Total Other Financing Sources (Uses)	4,346,113	4,346,113	4,156,755	(189,358)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ -	$ -	(7,883)	(7,883)
Fund Balance - Beginning of Year			3,008,394	
Fund Balance - End of Year			$ 3,000,511	

The accompanying notes are an integral part of the financial statements

SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

REDEVELOPMENT FUNDS

September 30, 2021

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Funds
Assets				
Cash and cash equivalents	$ 1,005,643	$ (19,728)	$ (3,665)	$ 982,250
Property tax receivable	60,948	-	-	60,948
Due from other governments	1,219	-	-	1,219
Total Assets	$ 1,067,810	$ (19,728)	$ (3,665)	$ 1,044,417
Liabilities				
Accounts payable	$ 9,904	$ -	$ -	$ 9,904
Deposits payable	20,000			20,000
Total Liabilities	29,904	-	-	29,904
Deferred Inflows of Resources				
Unavailable revenue-property taxes	56,567	-	-	56,567
Fund Balances				
Restricted fund balance:	981,339	-	-	981,339
Unrestricted fund balance:				
Committed fund balance	-	-		-
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	(19,728)	(3,665)	(23,393)
Total Fund Balances	981,339	(19,728)	(3,665)	957,946
Total Liabilities and Fund Balances	$ 1,067,810	$ (19,728)	$ (3,665)	$ 1,044,417

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Redevelopment Fund

Combining Statement Of Revenues, Expenditures, and Changes in Fund Balances

By Project for the Redevelopment Fund

For the Year Ended September 30, 2021

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Fund
Revenues				
Property taxes	$ 2,554,233	$ 3,536,853	$ 1,141,874	$ 7,232,960
Investment income	-	165	18	183
Contributions	-	-	-	-
Total Revenues	2,554,233	3,537,018	1,141,892	7,233,143
Expenditures				
Current				
General government and administration	16,678	45	624	17,347
Area development and improvements	624,657	9,024,656	-	9,649,313
Real estate expense	68,697	-	-	68,697
Debt service				
Principal	1,190,000	388,450	-	1,578,450
Interest and other charges	84,452	-	2,000	86,452
Total Expenditures	1,984,484	9,413,151	2,624	11,400,259
Excess (Deficiency) of Revenues Over (Under) Expenditures	569,749	(5,876,133)	1,139,268	(4,167,116)
Other Financing Sources (Uses)				
Construction advances	-	9,024,656	-	9,024,656
Transfers in (out)	-	(3,164,855)	(1,141,900)	(4,306,755)
Total Other Financing Sources (Uses)	-	5,859,801	(1,141,900)	4,717,901
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	569,749	(16,332)	(2,632)	550,785
Fund Balance - Beginning of Year	411,590	(3,396)	(1,033)	407,161
Fund Balance - End of Year	$ 981,339	$ (19,728)	$ (3,665)	$ 957,946

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

DEBT SERVICE FUNDS

September 30, 2021

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Funds
Assets				
Cash and cash equivalents	$ -	$ 3,000,511	$ -	$ 3,000,511
Total Assets	$ -	$ 3,000,511	$ -	$ 3,000,511
Liabilities				
Accounts Payable	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	-	-	-
Fund Balances				
Restricted fund balance:	-	3,000,511	-	3,000,511
Unrestricted fund balance:				-
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	-	-	-
Total Fund Balances	-	3,000,511	-	3,000,511
Total Liabilities and Fund Balances	$ -	$ 3,000,511	$ -	$ 3,000,511

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Debt Service Fund

Combining Statement Of Revenues, Expenditures, and Changes in Fund Balances

By Project for the Redevelopment Fund

For the Year Ended September 30, 2021

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues				
Investment income	$ -	$ 575	$ -	$ 575
Contributions	-	-	231,100	231,100
Total Revenues	-	575	231,100	231,675
Expenditures				
Current				
Debt service				
Principal	-	1,506,000	735,000	2,241,000
Interest and other charges	-	1,517,313	638,000	2,155,313
Bond issuance costs	-	-		-
Total Expenditures	-	3,023,313	1,373,000	4,396,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,022,738)	(1,141,900)	(4,164,638)
Other Financing Sources (Uses)				
Transfers in (out)	-	3,014,855	1,141,900	4,156,755
Bond issuance				-
Total Other Financing Sources (Uses)	-	3,014,855	1,141,900	4,156,755
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(7,883)	-	(7,883)
Fund Balance - Beginning of Year	-	3,008,394	-	3,008,394
Fund Balance - End of Year	$ -	$ 3,000,511	$ -	$ 3,000,511

MH&co Mahlke Hunsaker & Company PLLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Urban Renewal Agency of the
City of Twin Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho's, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated January 25, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Urban Renewal Agency of the City of Twin Falls, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, PLLC
TWIN FALLS, IDAHO
January 25, 2022

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, February 14, 2022

To: Urban Renewal Agency of the City of Twin Falls

From: Travis Rothweiler, City Manager & Interim Executive Director

ACTION ITEM

Request:

Consider tentative approval of the draft 2021 Annual Report and schedule a public hearing for March 14, 2022, to take comments from the public, and instruct staff to publish all required notices.

Background:

This is the first step in a two-step process to approve the CY2021 Annual Report.

Idaho Code Section 50-2006(5)(c) requires urban renewal agencies operating in Idaho to present an annual report regarding their activities for the preceding calendar year, which report shall include certain financial information. The Agency is required to hold a public meeting to report these findings and take comments from the public. At the time of filing the report with the City on or before March 31, the Agency shall publish in the Times-News a notice to the effect that the report has been filed with the City and the state controller and that the report is available for inspection in the office of the City Clerk or the Agency, and at all times on the website of the state controller.

This presentation is for review and discussion purposes. If the 2021 Annual Report is tentatively approved, Agency staff will submit a notice to the paper and post a notice on the website advising the public of the opportunity to provide comment on the 2021 Annual Report at the Agency's regular meeting on March 14, 2022. The Agency will take public comment on the Annual Report at the meeting on March 14, 2022, and will consider adopting the 2021 Annual Report and direct Agency staff to file the 2021 Annual Report as indicated by Idaho law.

Approval Process:

Majority vote of a quorum of the Agency Commissioners present at the meeting.

Budget Impact:

There may be a cost for in-house printing of the draft report and postage to distribute it to those who request it.

Regulatory Impact:

N/A

Conclusion:

Following discussion, the Agency Board may consider by motion tentative approval of the draft 2021 Annual Report. March 14, 2022, should be selected as the date to take public comment on the report and vote on its approval so that the statutory requirement for reporting can be fulfilled.

Attachments:

1. 2021 URA Annual Report

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

2021 Annual Report

Travis Rothweiler, ICMA-CM
City Manager/Executive Director

February 14, 2022

Board of Commissioners

January – June 2021
Rudy Ashenbrener - Chair
Andy Hohwieler – Vice Chair
Dan Brizee – Secretary
Cindy Bond
Alexandra Caval
Jan Rogers
Doug Vollmer

July – December 2021
Rudy Ashenbrener - Chair
Andy Hohwieler – Vice Chair
Dan Brizee – Secretary
Alexandra Caval
Jan Rogers
JJ McBride
Dave McAlindin

Staff

Nathan Murray – Executive Director (January – March)
Travis Rothweiler, City Manager & Interim Executive Director (April – December)
Lorrie Bauer - Administrative Assistant
Jesse Schuerman - Engineer
Brent Hyatt - Finance

This Annual Report is prepared pursuant to Title 50, Chapter 2006 (c) Idaho Code:

An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, on or before March 31 of each year a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such calendar year. The agency shall be required to hold a public meeting to report these findings and take comments from the public. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and that the report is available for inspection during business hours in the office of the city clerk or county recorder and in the office of the agency.

The Urban Renewal
of the City of Twin Falls, Idaho

Agency Activities for 2021

Galena Opportunity Fund – Mixed Use Complex and Parking Structure

In May 2020, the Agency accepted a proposal from Galena Opportunity Fund for the redevelopment of multiple contiguous, underdeveloped lots, owned by the City of Twin Falls generally located at 2nd Ave S and Hansen St. Otherwise described as Lots 25-32 of Block 103, Twin Falls Townsite owned by the City of Twin Falls, commonly known as the 2nd & Hansen property.

The Agency and Galena entered into an Agreement to Negotiate Exclusively (ANE) with Galena to determine the design and financial feasibility of the proposed project. The Agency and the City worked collaboratively to transfer the property to the Agency. In turn, the City will transfer the property to the Agency after all of the terms of the ANE have been satisfied. Idaho Code, Section 50-211 requires that the Agency transfer property for "not less than its fair value for uses in accordance with the urban renewal plan" which is also commonly called the Property's "fair reuse value".

According to the Code, this value "shall take into account and give consideration to the uses provided in such plan; the restrictions upon, and the covenants, conditions and obligations assumed by the purchaser or lessee or by the urban renewal agency retaining the property; and the objectives of such plan for the prevention of the recurrence of slum or blighted areas."

In total, the project will include a mixed-use commercial, retail and/or office space on the main level and residential on the other floors. Additionally, a parking structure with 325 parking stalls will be constructed, of which 100 spaces dedicated to public use into perpetuity. The Agency has agreed to provide up to $2 million to assist with costs of the public parking stalls. The parking structure is scheduled to be completed in late 2022, early 2023. It is anticipated the mixed-use building will be completed in 2024.

The developer is considering the development of an additional, similar mixed-use structure that will be constructed on the corner of 2nd & Shoshone Street. This building was not a part of request for proposals.

Children's Museum of the Magic Valley

In December 2020, Children's Museum of the Magic Valley (CMMV) submitted a response to the Agency's request for proposals to redevelop an underutilized parking lot, located at the corner of 3rd Avenue South and Idaho Street South. They proposed transforming the parking lot into a 15,000 square foot center for hands-on exploration and creativity. The Agency and the Children's Museum entered into an exclusive right to negotiate on April 2, 2021.

The mission of the Children's Museum of the Magic Valley is "to engage children of all ages and abilities in learning through imaginative play and discovery." The vision is "to be a gathering place that builds wonder and curiosity."

CMMV has met all milestones, which included the building conceptual designs and the financial proforma. They will submit their funding towards the end of March 2022. Based on supplied schedules, the CMMV will begin construction (site preparation) in August 2022 with completion occurring in early 2024.

160 Main Project – The Main Avenue Lofts

The Agency continued its partnership with the Galena Group on the 160 Main Project. In 2021, the Agency completed the demolition of the old, deteriorated retail building that had been vacated by a charitable, second-hand store company. The planned mixed-use project will be 75-feet in height, have 44-untis of residential, 11,000 square feet of office, and ground level restaurant/commercial space. The project is anticipated to be completed in the fall of 2022.

Placemaking in Downtown Twin Falls

The URA Downtown Arts Subcommittee advertised a Call for Mural Artists in late July. The call solicited two-dimensional exterior mural artists residing in the Northwest to submit original artwork for an exterior mural on a pre-selected building. Ten submittals were received and Matt Sunderman's submission was unanimously approved.

After the art selection was made, it was learned that the pre-selected building was located within the Twin Falls Downtown Historic District and was listed on the National Registry of Historic Places as a contributing building. As a result, the committee selected another location. The alley side of the City Hall building was selected to house the mural.

The project was completed in late Fall 2021 at a cost of $15,000.

In his artist statement, Mr. Sunderman said, "Magic of the Valley pays homage to the original settlers of the Magic Valley. The backdrop, an epic Idaho sky and vista, shows how our lady arrived at this location and a hint at the hard work that will need to be implemented to make this land her and her family's home. Her dress morphs into the river and a collage of regional, modem activities that Twin Falls has to offer. The design is a nod to the past and present with the intention of creating a sense of place while bring the community together as they experience public art."

Exploring the Creation of a New Revenue Allocation Area

Agency Board members spent time in a series of visioning and planning workshops discussing the possible creation of a new revenue allocation in the Downtown and Historical Warehouse Districts. The process took place in four separate workshop sessions over the course of nine months (May 2021 to January 2022).

The Board educated themselves on their roles to promote economic development and elimination community blight. They took a field trip and looked at the opportunities to make meaningful improvements to the core of Twin Falls after RAA 4-1 closes in 2023. They identified the ideal geographical boundary for the new Area.

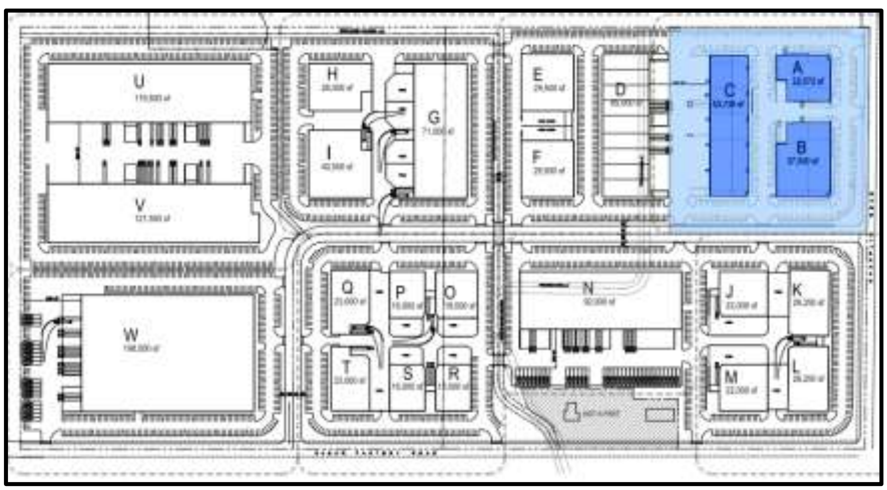
The Board's vision for the new area included additional downtown housing, hotels, a convention center, continued small development on Main Avenue, commercial and light industrial development (assembly) in the Historical Warehouse District. Several public infrastructure improvements were discussed, including funding to assist with the relocating and traffic calming on the 2nd Avenues (US Highway 30), water and sewer lines, complete street improvements, fiber optics, power and gas upgrades, parking lots/structures were just some of the public improvements that were recommended for the area.

Staff and Consultants will take the Board's vision and will transform it into the studies and ordinances needed to create a revenue allocation area and the corresponding plan.

Creation of the Orchard Drive East Revenue Allocation Area

The Agency began working with Summit Creek Development on the creation of a new revenue allocation area in the City of Twin Falls. The development group is seeking annexation and a city zoning designation. The comprehensive plan recommends a manufacturing 2 (M-2) designation.

The development contains approximately 78.5 acres and is located south of the Urban Renewal Plan for Revenue Area #4-3, generally located at the northwest intersection of Orchard and Champlin Road. It will consist of several individual buildings, ranging in size from 5,000 square feet to 200,000 square feet and will serve a variety of different businesses and users. This project would be built out in phases with both build-to-suit product as well as ready-to-lease product.



The Agency selected Kushlan Associates to determine the eligibility of this area pursuant to Idaho Code §50-2008(a). At the time of the writing of this report, the "Eligibility Report" has not been completed.

If deemed to be eligible, the new revenue allocation area will assist in funding eligible improvements to the sewer system, water system, roadways, power, gas and fiber optics. Some of the infrastructure improvements may be eligible for reimbursement by the TFURA with the establishment of a new revenue allocation area. The first step in creating a new allocation area is to conduct a feasibility study and eligibility report.

A conservative assessment on 1,000,000 SF at $80/SF would be $80 million.

Extending Public Infrastructure
The Agency supported the expansion of public infrastructure in several locations located within the 4-1 Revenue Allocation Area. Those projects included:

- $14,678 for a new power pole, 3 phase transformer banks, and service to upgrade a building located at 157 2nd Avenue West. The building will house the White Pine Distillery, a craft distillery project owned in operated by Chris Packer;

- $8,317 to upgrade electrical service to 600 amps for Kelsar Properties, LLC, located at 210 2nd Ave S;

- $165,768 for the 3rd Avenue alleyway paving and drainage improvements; and

- $49,722 to improve stormwater drainage on the 2nd Avenue Breezeway Drainage.

Summary of Financial Statements

Table 1
Statement of Net Position
As of September 30, 2021 and 2020

	2021	2020	Percentage Change 20-2020
Current & Other Assets	$ 5,725,349	$ 6,041,583	(5%)
Capital Assets	3,150,167	3,150,167	(0%)
Total Assets	**8,875,516**	**9,191,750**	**(3%)**
Long-term Debt Outstanding	68,249,212	62,557,506	9%
Other Liabilities	81,386	759,230	(89%
Total Liabilities	**68,330,598**	**63,316,736**	**8%**
Net Investment in Capital Assets	(57,982,952)	(52,777,746)	
Restricted and Unrestricted	(1,472,130)	(1,347,240)	
Total Net Position	**$ (59,455,082)**	**$ (54,124,986)**	

Statement of Net Position
The Statement of Net Position reports on the assets and liabilities of the Agency. Notable changes in Net Position value are typically the result of large debt service payments; the timing of large public improvement projects; or the purchase, sale, or contribution of capital assets. The Agency participated this year in substantial improvements to Chobani's wastewater pretreatment facility. The Agency's funding for that rehabilitation was provided by Chobani and resulted in an increase in the reimbursement agreement the Agency has with the Company. The reduction in other liabilities reflects scaled back operational activity in projects and the related reduction in open accounts payable compared to the previous year.

Table 2

Statement of Activities

For Years Ended September 30, 2021 and 2020

	2021	2020	Percentage Change 2021-2020
Charges for Services - Rent	$ 26,000	$ 16,000	63%
Property Tax Increment	7,206,184	7,722,993	(7%)
Other Income and Sale of Assets	231,600	(804,500)	(129%)
Investment Earnings	6,239	73,001	(91%)
Total Revenue	**7,470,023**	**7,007,494**	**7%**
General Government	363,906	371,675	(2%)
Community Development	9,707,949	447,518	2,069%
Interest on Long-Term Debt	2,728,265	2,972,555	(8%)
Total Expenses	**12,800,120**	**3,791,748**	**(238%)**
Increase (Decrease) in Net Assets	(5,330,097)	3,215,746	
Net Position - Beginning	(54,124,985)	(57,340,731)	
Net Position - Ending	**$ (59,455,082)**	**$ (54,124,985)**	

Statement of Activities

The Statement of Activities reports on the Agency's operating revenues and expenditures

Revenues

Idaho created the Public Safety Grant Initiative to leverage CARES Act funds to cover local public safety personnel expenses associated with the coronavirus. To participate in this initiative, local elected officials agreed not to increase the base property tax budgets and not to take the allowable 3% increase. As a result, Twin Falls property owners received a onetime property tax reduction. The election to participate by the City, and the associated reduction in the levy rate, had the effect of reducing the Agency's property tax increment collected in the current year. This year, the Agency secured an increased lease payment from the Veterans Administration for property owned by the agency.

Expenses

As mentioned previously, the Agency spent qualified expenditures to improve a pretreatment facility at Chobani in the amount of $9,024,656.

The Agency's first revenue allocation area will be terminating at the end of this year. Plans are being developed for the remaining real estate parcels and how to liquidate them to best benefit the community.

The full audited financial statements of the Agency are available at Twin Falls City Hall during regular business hours.

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, February 14, 2022

To: Urban Renewal Agency of the City of Twin Falls

From: Meghan Conrad, Elam & Burke

ACTION ITEM

Request:

Consider approval of Resolution No. 2022-01 accepting the Orchard Drive East Urban Renewal District (Proposed) Eligibility Report, dated January 2022, and directing the Executive Director to transmit the Report and Resolution to the City Council for its consideration for designation of an urban renewal area.

Background:

Developer Summit Creek Development, LLC (the “Developer”) approached the Agency to consider studying approximately 78 acres west of N. 3300 E and north of Orchard Drive East to determine eligibility for a new urban renewal project to support the development of an industrial park. The Agency and Developer entered into a Memorandum of Understanding, wherein the Developer agreed to provide funding for planning costs related to the establishment of a new plan and urban renewal/revenue allocation area.

The first step in the establishment of a new plan and urban renewal/revenue allocation area is to define a potential geographic area for analysis as to whether conditions exist within it to qualify for redevelopment activities.

Phil Kushlan, Kushlan Associates, was retained to review the study area and prepare an eligibility report. The Orchard Drive East Urban Renewal District (Proposed) Eligibility Report, dated January 2022, is submitted to the Agency for its acceptance before transmitting the Report and Agency Resolution to the City Council to make the findings of deteriorating conditions, and if so made, to direct the Agency to commence the preparation of an urban renewal plan.

The Report concludes there are several qualifying conditions in the Study Area, including:

- age or obsolescence;
- predominance of defective or inadequate street layout;
- faulty lot layout in relation to size, adequacy, accessibility or usefulness; obsolete platting; and
- insanitary or unsafe conditions

which conditions result in economic underdevelopment of the area and substantially impairs or arrests the sound growth of the City.

The Report makes a preliminary finding that the value of the existing base assessment rolls, together with the proposed base assessment roll of the Study Area, do not exceed 10% of the current assessed taxable value of the City.

Approval Process:

Majority vote of a quorum of the Agency Commissioners present at the meeting.

Budget Impact:

There are costs associated with the establishment of a new plan and urban renewal/revenue allocation area; however, the Developer has agreed to fund the planning costs pursuant to the Memorandum of Understanding.

Regulatory Impact:

N/A

Conclusion:

Agency staff recommends adopting Resolution No. 2022-01 accepting the Orchard Drive East Urban Renewal District (Proposed) Eligibility Report, dated January 2022, and directing Agency staff to submit the Agency Resolution and Report to the City Council for its consideration.

Attachments:

1. Resolution No. 2022-01 - Orchard Dr E Eligibility Report

RESOLUTION NO. 2022-01

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, ACCEPTING THAT CERTAIN REPORT ON ELIGIBILITY FOR CERTAIN PROPERTY REFERRED TO AS THE ORCHARD DRIVE EAST AREA AS AN URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA AND JUSTIFICATION FOR DESIGNATING THE AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE REPORT; AUTHORIZING AND DIRECTING THE CHAIR OR EXECUTIVE DIRECTOR TO TRANSMIT THE REPORT AND THIS RESOLUTION TO THE CITY COUNCIL OF THE CITY OF TWIN FALLS REQUESTING ITS CONSIDERATION FOR DESIGNATION OF AN URBAN RENEWAL AREA AND SEEKING FURTHER DIRECTION FROM THE COUNCIL; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of the City of Twin Falls, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the "Law") and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"), a duly created and functioning urban renewal agency for Twin Falls, Idaho, hereinafter referred to as the "Agency."

WHEREAS, by Resolution No. 909, dated July 19, 1965, the Board of Commissioners of the City of Twin Falls, Idaho (the "City") created an urban renewal agency pursuant to the Law;

WHEREAS, on June 30, 1997, the City Council of the City of Twin Falls, Idaho (the "City Council"), by Resolution No. 1603, determined certain property to be a deteriorated area or a deteriorating area or a combination thereof and designated the area as appropriate for an urban renewal project to be known as Urban Renewal Area #4 (the "Area #4 Plan"). The Area #4 Plan has been amended several times;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for Urban Renewal Area #4 and Creating Revenue Allocation Area #4-1 (the "RAA #4-1 Plan") to redevelop a portion of the City within the boundaries of the Urban Renewal Area #4, as amended, pursuant to the Law and the Act;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2579 on May 4, 1998, approving the RAA #4-1 Plan, and making certain findings, including establishing the RAA #4-1 revenue allocation area ("RAA #4-1");

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Amended Urban Renewal Plan for Urban Renewal Area #4-1 Expansion (the "Amended RAA #4-1 Plan") seeking to add geographic area to RAA #4-1 Plan, pursuant to Idaho Code § 50-2033, to redevelop a portion of the City within the boundaries of the Urban Renewal Area #4, as amended, pursuant to the Law and the Act;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 3056 on August 26, 2013, approving the Amended RAA #4-1 Plan and making certain findings, including expanding RAA #4-1;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for Urban Renewal Area #4-3 (the "RAA #4-3 Plan") to redevelop a portion of the City within the boundaries of the Urban Renewal Area #4, as amended, pursuant to the Law and the Act;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 3022 on December 12, 2011, approving the RAA #4-3 Plan and making certain findings, including establishing the RAA #4-3 revenue allocation area ("RAA #4-3");

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for Urban Renewal Area #4-4 (the "RAA #4-4 Plan") to redevelop a portion of the City within the boundaries of the Urban Renewal Area #4, as amended, pursuant to the Law and the Act;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 3097 on June 1, 2015, approving the RAA #4-4 Plan and making certain findings, including establishing the RAA #4-4 revenue allocation area ("RAA #4-4);

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for the Washington Street South Urban Renewal Project (the "Washington Street South Plan") pursuant to the Law and the Act;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2019-015 on December 16, 2019, approving the Washington Street South Plan and making certain findings, including establishing the Washington Street South revenue allocation area (the "Washington Street South Project Area"). Due to the timing of the publication of the Ordinance Summary and recording, the Washington Street South Plan and Project Area has an effective base year retroactive to January 1, 2020;

WHEREAS, the above referenced urban renewal plans are collectively referred to as the Existing Urban Renewal Plans and their corresponding project areas are collectively referred to as the Existing Project Areas;

WHEREAS, based on inquiries and information presented, the Agency commenced certain discussions concerning examination of an additional area as appropriate for an urban renewal project;

WHEREAS, in 2021, the Agency authorized Kushlan Associates, to commence an eligibility study and preparation of an eligibility report of an area 78.26 acres in size and which is generally located on the west side of N 3300 Road East and north of Orchard Drive, East. The eligibility study area is commonly referred to as the Orchard Drive East Study Area (the "Study Area");

WHEREAS, the Agency has obtained the Orchard Drive East Urban Renewal District (Proposed) Eligibility Report, dated January 2022 (the "Report"), a copy of which is attached hereto as **Exhibit A**, which examined the Study Area, for the purpose of determining whether such area was a deteriorating area and/or a deteriorated area as defined by Idaho Code Sections 50-2018(8), (9) and 50-2903(8);

WHEREAS, at the time the Study Area was reviewed for eligibility, the Study Area was outside the City limits and within unincorporated Twin Falls County, but annexation of the Study Area parcels was in progress. The Study Area was recently annexed into the City;

WHEREAS, pursuant to Idaho Code Sections 50-2018(8), (9) and 50-2903(8), which lists the definition of deteriorating area and deteriorated area, many of the conditions necessary to be present in such an area are found in the Study Area, including:

a. the presence of a substantial number of deteriorated or deteriorating structures; deterioration of site;
b. age or obsolescence;
c.. predominance of defective or inadequate street layout;
d. faulty lot layout in relation to size, adequacy, accessibility, or usefulness/obsolete platting; and
e. insanitary or unsafe conditions.

WHEREAS, the effects of the listed conditions cited in the Report result in economic underdevelopment of the area, substantially impairs, or arrests the sound growth of a municipality, constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare in its present condition or use;

WHEREAS, under the Act, a deteriorated area includes any area which is predominantly 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. See Idaho Code Section 50-2903(8);

WHEREAS, Idaho Code Sections 50-2018(9), 50-2903(8) and 50-2008(d) list additional conditions applicable to open land areas, including open land areas to be acquired by the Agency;

WHEREAS, the Report addresses the necessary findings concerning the eligibility of open land within the Study Area as defined in Idaho Code Sections 50-2018(9), 50-2903(8)(c), and 50-2008(d);

WHEREAS, under the Law and the Act, Idaho Code Sections 50-2903(8)(f) and 50-2018 (8) and (9), the definition of a deteriorating area shall not apply to any agricultural operation as defined in section 22-4502(2), Idaho Code, absent the consent of the owner of the agricultural operation, except for an agricultural operation that has not been used for three (3) consecutive years;

WHEREAS, the Study Area includes parcels subject to such consent. While the necessary consents have not been obtained, any and all consents shall be obtained prior to City Council adoption of any urban renewal plan;

WHEREAS, the Report includes a preliminary analysis concluding the base assessment roll value for the Study Area along with the base assessment roll values for the Existing Project Areas do not exceed 10% of the current assessed valuation of all taxable property within the City;

WHEREAS, pursuant to Idaho Code Section 50-2008, an urban renewal project may 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 combination thereof, and designated such area as appropriate for an urban renewal project;

WHEREAS, Idaho Code Section 50-2906, also requires that in order to adopt an urban renewal plan containing a revenue allocation financing provision, the local governing body must make a finding or determination that the area included in such plan is a deteriorated area or a deteriorating area;

WHEREAS, the Agency Board finds it in the best public interest to accept this Report.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, AS FOLLOWS:

Section 1. That the above statements are true and correct.

Section 2. That the Agency Board acknowledges acceptance and receipt of the Report, attached hereto as **Exhibit A**, recognizing technical changes or corrections which may be required before transmittal to the City Council for its consideration.

Section 3. That there are one or more areas within the City that are a deteriorating area or a deteriorated area as defined by Idaho Code Sections 50-2018(8), (9) and 50-2903(8), as more fully set forth in the Report, attached hereto as **Exhibit A**.

Section 4. That one such area is the Study Area, which is approximately 78.26 acres in size and is generally located on the west side of N 3300 Road East and north of Orchard Drive, East.

Section 5. That the rehabilitation, conservation, development and redevelopment, or a combination thereof, of such area is necessary in the interest of the public health, safety, and welfare of the residents of the City.

Section 6. That the Chair of the Board of Commissioners or Executive Director is hereby authorized to transmit the Report to the Twin Falls City Council requesting that the City Council:

a. Determine whether the Study Area identified in the Report qualifies as an urban renewal project and justification for designating the area, as appropriate, for an urban renewal project;

b. If such designation is made, whether the Agency should proceed with the preparation of an urban renewal plan for the area, which plan may include a revenue allocation provision as allowed by law; and

c. Coordinate with the Agency to obtain the required agricultural consent from the property owners.

Section 7. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of the City of Twin Falls, on February 14, 2022.

APPROVED AND EXECUTED by the Chairman of the Board of Commissioners of the Agency and attested by the Secretary to the Board of Commissioners, on this 14th day of February 2022.

APPROVED:

By:______________________________________
Rudy Ashenbrener, Chair

ATTEST:

By:_________________________________
Dan Brizee, Secretary

4853-1391-1945, v. 1

Exhibit A

Orchard Drive East
Urban Renewal District (Proposed)

Eligibility Report
dated January 2022

Orchard Drive East
Urban Renewal District
(Proposed)

Eligibility Report

Prepared for

The Urban Renewal Agency of the City of Twin Falls

January 2022

Kushlan | Associates
Boise, Idaho

Introduction: Kushlan | Associates was retained by The Urban Renewal Agency of the City of Twin Falls, Idaho, also known as the Twin Falls Urban Renewal Agency (the "TFURA") to assist in their consideration of establishing a new revenue allocation area[1] in the City of Twin Falls, Idaho, and its area of operation.

Elected Officials serving the City of Twin Falls are:

Mayor:	Ruth Pierce
Vice Mayor:	Chris Reid
Council Members:	Shawn Barigar
	Nikki Boyd
	Jason Brown
	Spencer Cutler
	Craig Hawkins

City Staff

City Manager:	Travis Rothweiler

Idaho Code § 50-2006 states: "URBAN RENEWAL AGENCY. (a) There is hereby created in each municipality an independent public body corporate and politic to be known as the "urban renewal agency" that was created by resolution as provided in section 50-2005, Idaho Code, before July 1, 2011, for the municipality…" to carry out the powers enumerated in the statutes. The Twin Falls City Council adopted Resolution No.909 on July 19, 1965, bringing forth those powers within the City of Twin Falls.

The Mayor, with the confirmation of the City Council, has appointed seven members to the TFURA Board of Commissioners (the "TFURA Board"). The TFURA Board currently oversees the implementation of four revenue allocation areas. The first, revenue allocation area #4-1 (the "Old Towne District") was established by the City Council's adoption of Ordinance No. 2579 in May 1998 and is focused on the revitalization of downtown Twin Falls and adjacent areas. This revenue allocation area has been amended several times. The second revenue allocation area (#4-3) (Chobani) was established with the adoption of Ordinance No. 3022 on December 12, 2011. The third revenue allocation area (#4-4) (ClifBar) was established by Ordinance No. 3097 adopted on June 1, 2015. Both revenue allocation areas #4-3 and #4-4 are focused on economic development on the eastern edge of the city. The fourth revenue allocation area (Washington Street South) was established by Ordinance No. 2019-015 adopted on December 16, 2019, but not effective until January 10, 2020, and also focuses on economic development goals for the community.

The current membership of the Commission is as follows:

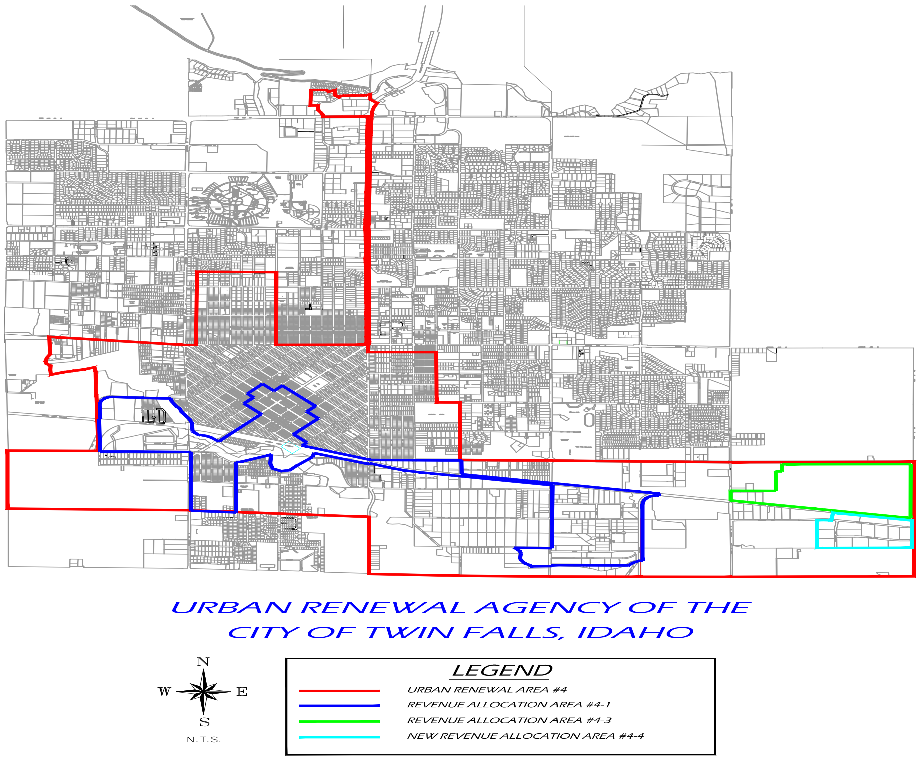
Chair:	Rudy Ashenbrenner
Vice Chairman	Andy Hohwieler
Secretary	Dan Brizee
Commissioners	Alexandra Caval
	Jan Rogers
	JJ McBride
	Dave McAlindin

[1] Throughout this Study, urban renewal/revenue allocation area will be referred to as an "revenue allocation area"

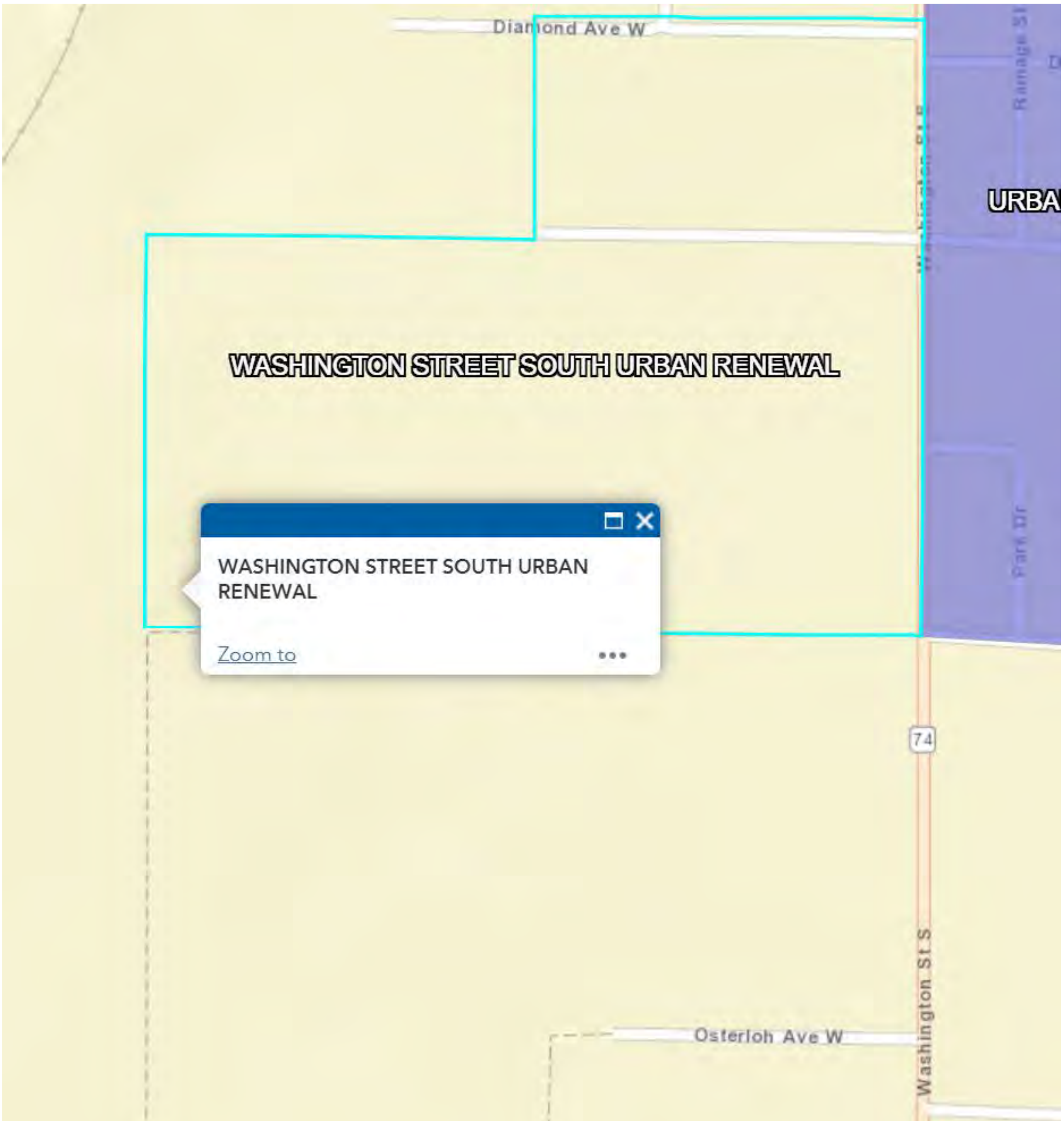
Staff:

Urban Renewal Administrator:	Travis Rothweiler
Administrative Assistant:	Lorrie Bauer

Map of the Twin Falls Revenue Allocation Areas 4-1, 4-3 and 4-4



Map of Washington Street South Revenue Allocation District



Background:

While Native Americans inhabited the area for millennia, the development of the community of Twin Falls, as we know it today, was initiated in 1900. I. B. Perrine had farmed in the Snake River Canyon since 1884, providing sustenance to the Wood River mines and the surrounding area in South Central Idaho. In response to the adoption of the Carey Act in 1894 that encouraged the development of facilities to irrigate traditionally arid lands, Perrine led an effort to create the Twin Falls Land and Water Company (TFLWC) in 1900 supported by Salt Lake City and Eastern financial interests. The first infrastructure investment was the construction of Milner Dam on the Snake River on which construction was commenced in 1903 and completed in 1905. Construction of distribution facilities in the Main Line, Highline and Lowline canals set the stage for the establishment of the community of Twin Falls with the original plat being filed on May 12, 1904, with formal incorporation occurring in 1905.

The Idaho State Legislature created Twin Falls County (the "County") on February 21, 1907, naming the City of Twin Falls as County Seat. The County had previously been part of Cassia County and Owyhee County at different times in its history. As farming grew as the lead component of the area's economy, the community grew to support those engaged in that enterprise.

Over time the community has grown and prospered, often influenced by transportation improvements impacting the region. The Minidoka and Southwestern Railroad (M&SW) arrived in the community on August 7, 1904. The M&SW was acquired by the Oregon Short Line Railroad, a division of the Union Pacific Railroad, in 1912. The Twin Falls – Jerome Intercounty Bridge was opened in 1927 connecting the communities north and south of the Snake River. Now called the I.B. Perrine Bridge, it serves as the crossing for US Highway 93 that connects Mexico and Canada through Nevada, Idaho, and Montana. U.S. 93 runs through the city, as do US Highway 30 and State Highways 50 and 74. Interstate 84 now carries its east-west traffic approximately 3 miles north of the city.

In support of the continuing economic vitality of the region, the community turned to the Urban Renewal Law in 1965 with the creation of the TFURA by Resolution No. 909 adopted by the City Council on July 19, 1965. In 1997, the City Council adopted Resolution No. 1603 that consolidated prior existing urban renewal areas into a new combined Area 4. Subsequent to that action, the City Council established four revenue allocation areas to pursue specific objectives. Those areas are noted below with their expiration dates[2]:

Area 4-1 (Old Towne)	December 31, 2022
Area 4-3 (Chobani)	December 12, 2031
Area 4-4 (ClifBar)	June 1, 2035
Washington Street South	December 31, 2040

Demographics:
According to the US Census Bureau, the 2020 population of the city is 51,807 and has grown by 17.4% since 2010. This is similar to the growth rate experienced statewide which was 17.3% during that period.

At 27.3%, the City's percentage of people under 18 years of age exceeds the statewide percentage of 25.1% by 2.2%. The percentage of population under 5 years of age exceeds the statewide figure by 1.0% (7.5% vs. 6.5%). The percentage of the City's population over 65 years of age (13.8%) is less than the statewide percentage (16.3%) by 2.5%. These statistics reflect a population base that is slightly younger than that found statewide.

The population is predominately white at 90.6% as compared to the statewide percentage of 93.0%. The Hispanic population exceeds the statewide percentage by 3.4% (16.2% vs. 12.8%).

[2] Pursuant to Idaho Code Section 50-2905(8) it is recognized the Agency shall receive allocation of revenues in the calendar year following the termination date.

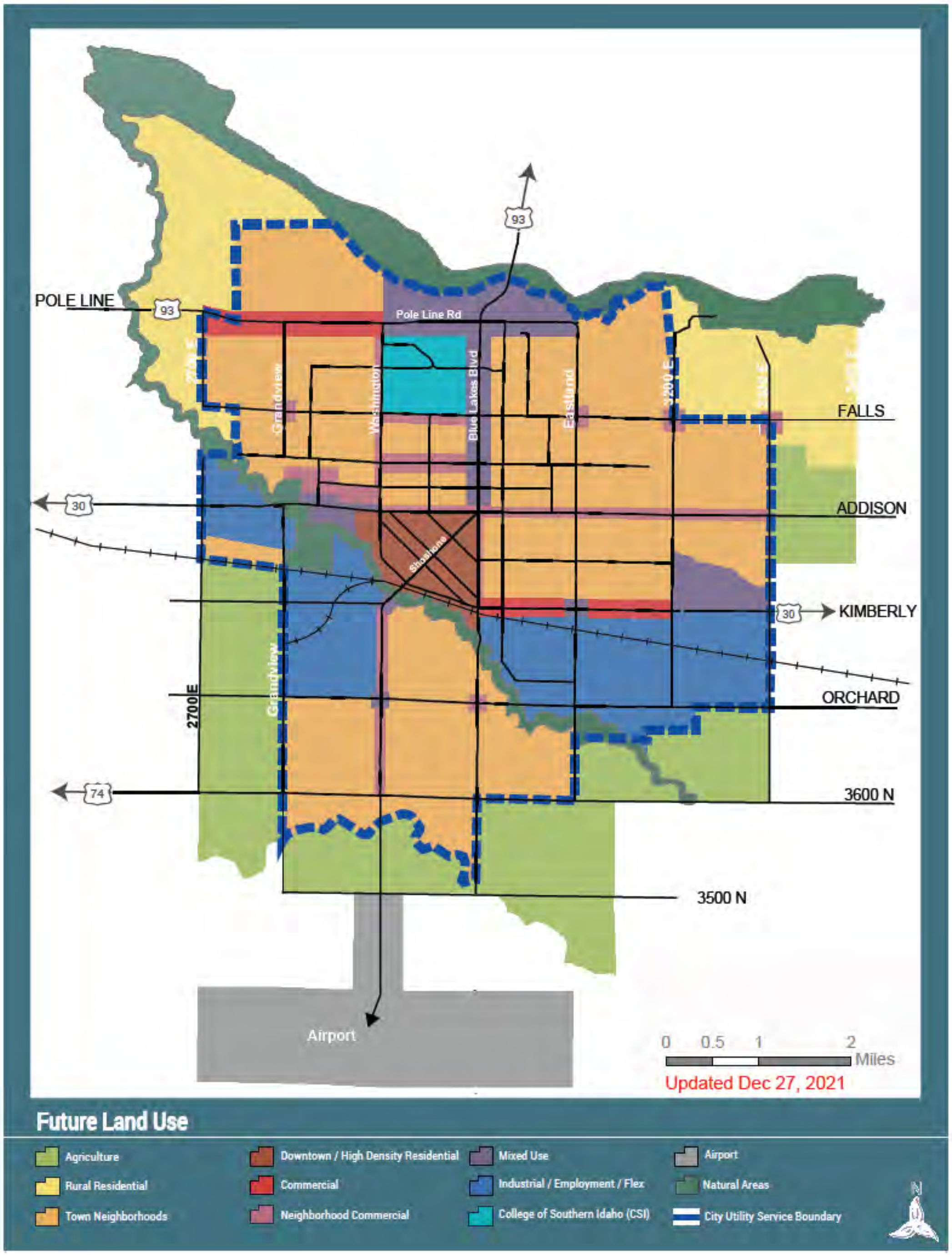
Housing units are 62.9% owner-occupied as opposed to the statewide statistic of 70.0%. Median value of owner-occupied housing units is $162,000 as compared to $212,300 statewide. Monthly owner costs with mortgage are $1,140 as compared to the statewide figure of $1,270. Median gross rent in the city is reported as $818 as compared to $853 statewide.

When income statistics are compared to statewide numbers, we see that the population of the city lags the rest of Idaho in these categories as well. The median household income in the city is $50,739, approximately 9.1% below the statewide figure of $55,785. Per capita income for the city's population is $24,933 as compared to the statewide number of $27,970. The percentage of the City's population below poverty level is 14.8% as compared to the statewide number of 10.1%.

These statistics suggest that the City's population may have limited capacity to fund new or increasing revenue sources to support economic development efforts in addition to on-going operational requirements. Thus, utilizing existing investment mechanisms such as found in Title 50, Chapters 20 and 29 is a prudent exercise of local legislative authority.

Investment Capacity: Cities across the nation actively participate in the economic vitality of their communities through investment in infrastructure. Water and sewer facilities as well as transportation, communication, electrical distribution, and other systems are all integral elements of an economically viable community. Idaho cities have a significant challenge in responding to these demands along with the on-going need to reinvest in their general physical plant to ensure it does not deteriorate to the point of system failure. They face stringent statutory and constitutional limitations on revenue generation and debt as well as near total dependence upon state legislative action to provide funding options. These strictures severely constrain capital investment strategies.

The tools made available to cities in Title 50, Chapters 20 and 29, the Urban Renewal Law and the Local Economic Development Act, are some of the few that are available to assist communities in their efforts to support economic vitality. New sources of State support are unlikely to become available in the foreseeable future, thus the City of Twin Falls' interest in exploring the potential for establishing their fifth urban renewal district is an appropriate public policy consideration.


93
POLE LINE
93
Pole Line Rd
Grandview
Washington
Blue Lakes Blvd
Eastland
FALLS
30
ADDISON
Shoshone
30
KIMBERLY
Grandview
2700E
ORCHARD
74
3600 N
3500 N
Airport
0 0.5 1 2
Miles
Updated Dec 27, 2021
Future Land Use
Agriculture
Rural Residential
Town Neighborhoods
Downtown / High Density Residential
Commercial
Neighborhood Commercial
Mixed Use
Industrial / Employment / Flex
College of Southern Idaho (CSI)
Airport
Natural Areas
City Utility Service Boundary
N

Steps in Consideration of Revenue Allocation Area:

The first step in consideration of establishing a revenue allocation area in Idaho is to define a potential geographic area for analysis as to whether conditions exist within it to qualify for redevelopment activities under the statute. We have called this the "Study Area."

The next step in the process is to review the conditions within the Study Area to determine whether the area is eligible for creating a district. The State Law governing urban renewal sets out the following criteria, at least one of which must be found, for an area to be considered eligible for urban renewal activities:

1. The Presence of a Substantial Number of Deteriorated or Deteriorating Structures and Deterioration of Site or Other Improvements [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

2. Age or Obsolescence [50-2018(8) and 50-2903(8)(a)]

3. Predominance of Defective or Inadequate Street Layout [50-2018(9) and 50-2903(8)(b)]

4. Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness; Obsolete Platting [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

5. Insanitary or Unsafe Conditions [50-2018(9) and 50-2903(8)(b)]

6. Diversity of Ownership [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

7. Tax or Special Assessment Delinquency [50-2018(9) and 50-2903(8)(b)]

8. Defective or Unusual Conditions of Title [50-2018(9) and 50-2903(8)(b)]

9. Results in Economic Underdevelopment of the Area [50-2903(8)(b); 50-2903(8)(c)]

10. Substantially Impairs or Arrests the Sound Growth of a Municipality [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

If the Eligibility Report finds that one or more of the conditions noted above exists within the Study Area, then the Agency may accept the findings and forward the Eligibility Report to the City Council for their consideration. If the City Council concurs with the determination of the Agency, they may direct that an Urban Renewal Plan be developed for the area that addresses the issues raised in the Eligibility Report.

The Agency then acts to prepare the Urban Renewal Plan for the new District establishing a Revenue Allocation Area to fund improvements called for in the Plan. Once the Plan for the District and Revenue Allocation Area are completed, the Agency Board forwards it to the City Council for their consideration.

The City Council must refer the Urban Renewal Plan to the Planning and Zoning Commission to determine whether the Plan, as presented, is consistent with the City's

Comprehensive Plan and make a corresponding finding. At the same time, other taxing entities levying property taxes within the boundaries of the proposed Revenue Allocation Area are provided a thirty-day opportunity to comment on the Plan to the City Council. While the taxing entities are invited to comment on the Plan, their concurrence is not required for the City Council to proceed with formal consideration.

Based on legislative changes to Idaho Code § 50-2908(2)(a), effective July 1, 2020, the Twin Falls County Highway District (the "Highway District") is allocated all of the taxes levied by the Highway District within a revenue allocation area first formed or expanded to include property on or after July 1, 2020 (including taxes levied on the base and increment values), unless the City creating the revenue allocation area has responsibility for the maintenance of the roads or highways. Depending on the ultimate boundary of the revenue allocation area this provision may apply to this proposed district, if formed.

Assuming successful annexation into the City, the taxing entities levying property taxes within the proposed revenue allocation area are projected to be:

- The City of Twin Falls
- The Twin Falls School District #411
- Twin Falls County
- Twin Falls County Ambulance
- Twin Falls County Pest Abatement District
- College of Southern Idaho

Once the Planning and Zoning Commission makes their finding of conformity and the thirty-day comment period has passed, the City Council is permitted to hold a public hearing and formally consider the adoption of the Plan creating the new Urban Renewal District and Revenue Allocation Area.

The City Council must also find that the taxable value of the district to be created plus the Base Assessed Value of any existing Urban Renewal / Revenue Allocation Area does not exceed the statutory maximum of 10% of the citywide assessed valuation.

If the City Council, in their discretion chooses to proceed, they will officially adopt the Urban Renewal Plan and Revenue Allocation Area and provide official notification of that action to the affected taxing districts, County Assessor and Idaho State Tax Commission.

The Agency then proceeds to implement the Plan.

Description of the Orchard Drive East Study Area:

The Study Area subject to the current review is located in unincorporated Twin Falls County immediately south of and contiguous with the current city limits. It is located on the west side of N 3300 Road E and north of Orchard Drive, East. The properties are included within the boundaries of the City of Twin Falls Area of City Impact and have been included in the City of Twin Falls Comprehensive Plan. (See Future Land Use Map above). As shown below, the Study Area consists of two (2) relatively large tax parcels, one consisting of 40 acres and one 38.26 acres. The two smaller parcels shown below are not included within the boundaries of the Study Area[3]. Annexation of the Study Area parcels is currently in progress and is anticipated to be completed prior to consideration of this report.

Orchard Drive East Revenue Allocation Area Study Area

Table 1

Parcel #	Ownership	Acreage	Land Value	Improvement Value	2021 Taxable Value
RP10S17E241810A	Twins Industrial, LP	38.26	$137,315	$27,540	$164,855
RP10S17E248400A	Herman Woebke	40.0	$135,811	$182,700	$318,511
Total Orchard Drive E. Study Area		78.26	$273,126	$210,240	$483,366

Description of the Orchard Drive East Study Area:

As noted in the table above, the Orchard Drive East Study Area consists of two (2) tax parcels.

The easterly parcel consists of 38.26 acres and its current use is irrigated crop land. It is zoned M-2 (Heavy Manufacturing) in unincorporated Twin Falls County. The property is

[3] Currently, the boundary line between the City and unincorporated Twin Falls County is unclear and requires further analysis. The Study Area boundary extends to the far side of the rights-of-way; however, to the extent the boundary line between the City and Twin Falls County is within the right-of-way, it may be the revenue allocation area boundary is ultimately smaller than the Study Area boundary.

located within the City of Twin Falls Area of City Impact (ACI) and has been included in the Future Land Use Map of the City's Comprehensive Plan. That document designates this property as "Industrial / Employment / Flex".

The westerly parcel consists of 40 acres, and its current use is irrigated crop land. It is currently zoned M-2 (Heavy Manufacturing) in unincorporated Twin Falls County. County Assessor records reflect the presence of an older (1923) residential structure on the property. No Homeowner Property Tax Exemption is reflected in the County Assessor records suggesting that it is not an owner-occupied structure. The property is also located within the City of Twin Falls Area of City Impact (ACI) and has been included in the Future Land Use Map of the City's Comprehensive Plan. That document designates this property as "Industrial / Employment / Flex".

Analysis of the Study Area:

A review of the Study Area reflects an area in transition. While the area remains in its historic agricultural use, it is immediately adjacent to the corporate boundary of the City of Twin Falls. That area has seen significant industrial development in recent years and remains one of the few industrial areas in South Central Idaho with adequate public services available to support large-scale development.

The current development plan for the Study Area calls for the phased development of a primarily "for lease" industrial area including an estimated 1,000,000 square feet of space that would be available to various businesses requiring between 5,000 and 200,000 square feet of space. Currently, public services available to the site are consistent with the historic agricultural usage of the property.

For the convenience of the reader, the statutory criteria are reiterated, at least one of which must be found to qualify an area for urban renewal activities. Those conditions are:

1. The Presence of a Substantial Number of Deteriorated or Deteriorating Structures and Deterioration of Site or Other Improvements [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

2. Age or Obsolescence [50-2018(8) and 50-2903(8)(a)]

3. Predominance of Defective or Inadequate Street Layout [50-2018(9) and 50-2903(8)(b)]

4. Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness; Obsolete Platting [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

5. Insanitary or Unsafe Conditions [50-2018(9) and 50-2903(8)(b)]

6. Diversity of Ownership [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

7. Tax or Special Assessment Delinquency [50-2018(9) and 50-2903(8)(b)]

8. Defective or Unusual Conditions of Title [50-2018(9) and 50-2903(8)(b)]

9. Results in Economic Underdevelopment of the Area [50-2903(8)(b); 50-2903(8)(c)]

10. Substantially Impairs or Arrests the Sound Growth of a Municipality [50-2018(9) and 50-2903(8)(b); 50-2903(8)(c)]

<u>Analysis: Orchard Drive East Study Area</u>

Criterion #1: The Presence of a Substantial Number of Deteriorated or Deteriorating Structures; and Deterioration of Site: The historic farmstead currently located in the Study Area consists of an older residential dwelling constructed in 1923 and updated in 1953 along with a few outbuildings consistent with the agricultural use of the property.

However, since these structures are the only ones in the Study Area, there is not a "substantial number of deteriorated or deteriorating structures" remaining within the Study Area. Therefore, criterion #1 is not met.

Criterion #2: Age or Obsolescence: Again, as noted above, the structures that remain in the Study Area, were built to serve the historic agricultural use. While the remaining structures remain serviceable for the current use, they are not of a nature to support the high-density industrial use envisioned in the Comprehensive Plan. Therefore, the remaining structures located along Orchard Drive East are obsolete in this context and as such, criterion #2 is met.

Criterion #3: Predominance of Defective or Inadequate Street Layout: As noted above, the Study Area has seen limited development of supportive infrastructure. The roads serving the area (N. 3300 E and Orchard Drive E) are typical county roads consisting of relatively narrow asphalt mats with gravel shoulders and no provision for the management of storm drainage beyond the roadside ditches common to rural roadways. There is no internal street system to provide access to the Study Area. Implementation of the vision articulated in the City's Comprehensive Plan will require substantial upgrades to the streets serving the expanded demand. Therefore, criterion #3 is met

Criterion #4: Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness; Obsolete Platting: The parcels in the Study Area are of a size and configuration appropriate for the historic agricultural use for which they have been deployed for several decades. However, as the City and region have developed around these properties, the large lots are not properly configured to accommodate the development pattern envisioned in the Comprehensive Plan. A more fine-grained and high-density development pattern is represented in the adopted Plan. Therefore, criterion #4 is met.

Criterion #5: Insanitary or Unsafe Conditions: Again, given the current agricultural use and general lack of development "insanitary and unsafe conditions" are not present. However, when considering the anticipated development pattern, the Study Area is completely devoid of public water supply and distribution facilities. No provision for required fire flows nor any provision of sanitary sewer or storm drainage facilities adequate to the anticipated demand has been made. Therefore, criterion #5 is met.

Criterion #6: Diversity of Ownership: The ownership of the 78.26 acres in the Study Area has been in the hands of two (2) entities. However, the proposed developer of the industrial facility has acquired both parcels and envisions the properties to be developed together under a single development plan. Thus, the Study Area is controlled by only one entity. Therefore criterion #6 is not met.

Criterion #7: Tax or Special Assessment Delinquency: According to Twin Falls County Assessor records, no delinquencies exist. Therefore, criterion #7 is not met.

Criterion #8: Defective or unusual condition of title: No defective or unusual conditions of title are reflected in Twin Falls County records. Therefore, criterion #8 is not met.

Criterion #9: Results in Economic Underdevelopment of the Area: Economic development and high-wage job creation are high priorities for the broader Twin Falls community as reflected in various planning documents. The supply of industrial land to support the desired economic expansion is extremely limited. The high cost of infrastructure investment required to accommodate the desired levels of economic activity have proven a barrier to the expansion of the adjacent industrial areas. As a result, the Study Area remains in its historic agricultural usage immediately adjacent to one of the state's most vibrant industrial areas. Without a means to support the physical transition of the Study Area the area will likely remain in its current agricultural use for the indefinite future. Therefore, criterion #9 is met.

Criterion #10: Substantially Impairs or Arrests the Sound Growth of a Municipality: The City of Twin Falls and the and the Twin Falls Urban Renewal Agency have made substantial investment in the transportation and utility facilities serving the area within the corporate limits immediately adjacent and to the north of the Study Area. The City of Twin Falls has expressed its vision for this area by including it within the City's Comprehensive Plan, but without the capacity to provide full public infrastructure, the Study Area will remain an under-utilized area adjacent to one of the fastest growing areas in the State of Idaho. Criterion #10 is met.

Findings: Orchard Drive East Study Area: Conditions exist within the Study Area to allow the TFURA Board and the Twin Falls City Council to determine that the area is eligible for urban renewal activities as prescribed in State Law.

Summary of Findings

	Criteria	Met	Not Met
1	The Presence of a Substantial Number of Deteriorated or Deteriorating Structures; and Deterioration of Site		X
2	Age or Obsolescence	X	
3	Predominance of Defective or Inadequate Street Layout	X	
4	Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness; Obsolete Platting	X	
5	Insanitary or Unsafe Conditions	X	
6	Diversity of Ownership		X
7	Tax or Special Assessment Delinquency		X
8	Defective or unusual condition of title		X
9	Results in Economic Underdevelopment of the Area	X	

10	Substantially Impairs or Arrests the Sound Growth of a Municipality	X	

Analysis: Open Land Conditions: In addition to the eligibility conditions identified above, the geographic area under review is also required to satisfy the "open land" conditions. Idaho Code Section 50-2903(8)(c) states: "[a]ny 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."

The eligibility criteria set forth in Idaho Code Section 50-2903(8)(c) for predominantly open land areas mirror or are the same as those criteria set forth in Idaho Code Sections 50-2018(9) and 50-2903(8)(b). "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 the same or similar to "a substantial number of deteriorated or deteriorating structures" and "deterioration of site or other improvements." There is also an additional qualification that the provisions of Idaho Code Section 50-2008(d) shall apply to open areas.

Idaho Code Section 50-2008 primarily addresses the urban renewal plan approval process and Idaho Code Section 50-2008(d)(4) sets forth certain conditions and findings for agency acquisition of open land as follows:

> 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) if 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.

In sum, there is one set of findings if the area of open land is to be acquired and developed for residential uses and a separate set of findings if the land is to be acquired and developed for nonresidential uses.

Basically, open land areas may be acquired by an urban renewal agency and developed for nonresidential uses if such acquisition is necessary to solve various problems, associated with the land or the infrastructure, that have delayed the area's development. These problems include defective or usual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout. All the stated conditions are included in one form or another in the definition of a deteriorated area and/or a deteriorating area set forth in Idaho Code Sections 50-2903(8)(b) and 50-2018(9). The conditions 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 concerning open land areas is that the area qualifies if any of the eligibility conditions set forth in Idaho Code Sections 50-2018(9) and 50-2903(8)(b) apply. Alternatively, the area under consideration qualifies if any of the conditions listed only in Idaho Code Section 50-2008(d)(4)(2) apply. The parcel size, the lack of water and sewer facilities in the Study Area; a nonexistent access and internal street system; an inadequate storm drain system; and lack of fire protection, are all conditions which delay development of the Study Area.

Based on the above analysis, to the extent the Study Area is "predominantly open land," which is not a defined term, obsolete platting/faulty lot layout and economic underdevelopment are conditions found in the Study Area, and therefore, the open land condition is satisfied.

Other Relevant Issues:

Agricultural Landowners Concurrence:

The statutory provisions concerning the creation of an urban renewal district prohibit inclusion of any land used for an agricultural operation without the express written consent of the property owner. An agricultural operation is broadly defined in Idaho Code § 22-4502(2) and means "an activity or condition that occurs in connection with the production of agricultural products for food, fiber, fuel and other lawful uses…" As of the date of this Eligibility Study, both parcels appear, from a visual inspection, to be active agricultural operations. As a result, property owner consent is required prior to final consideration of the proposed district's creation.

CONCLUSION:

Based upon the data and the conditions that exist within the Study Area as noted above, the TFURA Board and the Twin Falls City Council may determine that the Orchard Drive East Study Area is eligible for the establishment of a revenue allocation area.

10% Analysis: In addition to the findings reported above, verification that the assessed value of the proposed Study Area is within the statutory limits, is needed. State Law limits the percentage of values on the combined base assessment rolls that can be included in urban renewal / revenue allocation districts to 10% of the current assessed valuation of all taxable property within the City. According to Twin Falls County Assessor records, the 2021 total certified value for the City of Twin Falls is $4,653,143,739 (does not include State assessed operating property). As shown in the analysis in Table 1 the current taxable value of the entire Study Area is estimated to be $483,336. This value then must be added to the Base Assessed Values of Area 4-1, 4-3, 4-4 and the Washington Street South Districts to test for the 10% limitation. The analysis for this purpose is presented in Table 2, below. The combined base assessment roll values are well below the statutory limit.

Table 2

Statutory 10% Limitation Analysis		
Area	Taxable Value	Percentage
• Total City	$4,653,143,739	100%
	Adjusted Base Values	
• Area 4-1 (Old Towne)	$23,760,191	0.51%
• Area 4-3 (Chobani)	$ 1,069,508	0.02%
• Area 4-4 (ClifBar)	$4,090,577	0.09%
• Washington Street South	$24,710,081	0.53%
• Proposed Orchard Drive East Area	$483,336	0.01%
Total UR Base Assessed Value Percentage	$54,113,693	1.16%

The effect of creating this district on the capacity of the City and TFURA to consider future districts should they choose to do so is also explored. The table below shows there is capacity to consider additional districts.

Table 3

Remaining Urban Renewal Capacity		
Maximum 10% Limitation	$465,314,373	10%
• Area 4-1 (Old Towne)	$23,760,191	0.51%
• Area 4-3 (Chobani)	$ 1,069,508	0.02%
• Area 4-4 (ClifBar)	$4,090,577	0.09%
• Washington Street South	$24,710,191	0.53%
• Proposed Orchard Drive East Area	$483,366	0.01%
Available AV within limitation	$411,200,681	8.84%

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Date: Monday, February 14, 2022

To: Urban Renewal Agency of the City of Twin Falls

From: Travis Rothweiler, City Manager & Interim Executive Director

ACTION ITEM

Request:

Consider approval of Resolution No. 2022-02 to transfer real property owned by the Agency to the City of Twin Falls.

Background:

In 2017, the City issued a Promissory Note to the Agency in the principal amount of $5,000,000 related to Agency acquisition of a pretreatment facility from the City related to an urban renewal project. The Agency made payments to the City on September 30, 2019, and September 2, 2020, for a total of $2,000,000.

The Agency and the City agree that to satisfy the remaining $3,000,000 owed to the City, the Agency will transfer certain real property of significant importance to the City, which is shown and generally described on Schedule I to the Special Warranty Deed included in Resolution No. 2022-02 ("**Transferred Property**").

In exchange for the Transferred Property, the City will execute a Release of Promissory Note.

Approval Process:

A majority vote by the Board will approve the conveyance of the Transferred Property by Special Warranty Deed in exchange for the Release of Promissory Note.

Budget Impact:

None anticipated.

Regulatory Impact:

N/A

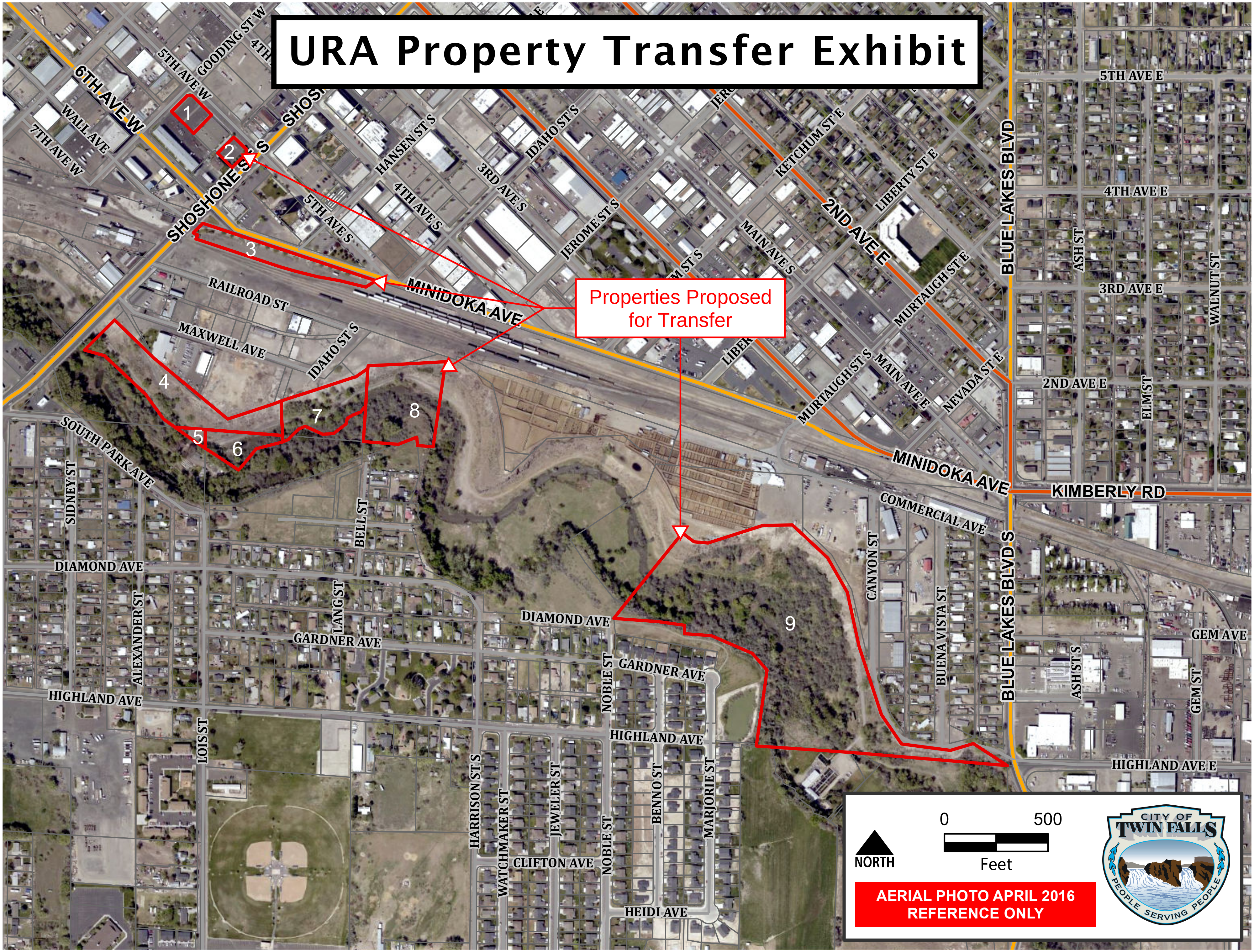
Conclusion:

Staff recommends approval of the Special Warranty Deed and Release of Promissory Note.

Attachments:

1. Map of Transferred Property
2. Resolution No. 2022-02 - Transfer of Real Property to the City

URA Property Transfer Exhibit



RESOLUTION NO. 2022-02

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF TWIN FALLS, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF TWIN FALLS, IDAHO, APPROVING A TRANSFER OF REAL PROPERTY OWNED BY THE AGENCY TO THE CITY OF TWIN FALLS, IDAHO, IN EXCHANGE FOR THE RELEASE OF PROMISSORY NOTE; AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR TO MAKE ANY NECESSARY CHANGES TO CORRECT THE LEGAL DESCRIPTION; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of the City of Twin Falls, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the “Law”), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”), a duly created and functioning urban renewal agency for Twin Falls, Idaho, hereinafter referred to as the “Agency.”

WHEREAS, by Resolution No. 909, dated July 19, 1965, the Board of Commissioners of the City of Twin Falls, Idaho (the “City”) created an urban renewal agency pursuant to the Law;

WHEREAS, on June 30, 1997, the City Council of the City of Twin Falls, Idaho (the “City Council”), by Resolution No. 1603, determined certain property to be a deteriorated area or a deteriorating area or a combination thereof and designated the area as appropriate for an urban renewal project to be known as Urban Renewal Area #4 (the “Area #4 Plan”). The Area #4 Plan has been amended several times;

WHEREAS, on May 4, 1998, the City Council, after notice duly published, conducted a public hearing on the Urban Renewal Plan for Urban Renewal Area #4 and Creating Revenue Allocation Area #4-1 (the “RAA #4-1 Plan”) to redevelop a portion of the City within the boundaries of the Urban Renewal Area #4, as amended, pursuant to the Law and the Act;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2579 on May 4, 1998, approving the RAA #4-1 Plan, and making certain findings;

WHEREAS, on August 26, 2013, the City Council, after notice duly published, conducted a public hearing on the Amended Urban Renewal Plan for Revenue Allocation Area #4-1 Expansion (the “Amended RAA #4-1 Plan”) seeking to add geographic area to RAA #4-1 Plan, pursuant to Idaho Code § 50-2033, to redevelop a portion of the City within the boundaries of the Urban Renewal Area #4, as amended, pursuant to the Law and the Act;

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 3056 on August 26, 2013, approving the Amended RAA #4-1 Plan and making certain findings;

WHEREAS, pursuant to the Act and the Amended RAA #4-1 Plan, the Agency is authorized to own real property and carry out the purposes and various projects under the Amended RAA #4-1 Plan and to enter into and carry out contracts or agreements in connection therewith;

WHEREAS, the Amended RAA #4-1 Plan terminates on December 31, 2022; recognizing the Agency shall receive its allocation of revenues in fiscal year in 2023;

WHEREAS, in compliance with Idaho Code § 50-2010, the Agency acquired parcels of real property commonly known as Tax Parcel Nos. RPT0001153001D (Parcel 1), RPT0001153007A (Parcel 2), RPT00107166005 (Parcel 3), RPT00107166145 (Parcel 4), RPT5061009000A (Parcel 5), RPT00107212550 (Parcel 6), RPT00107166612 (Parcel 7), RPT00107166620 (Parcel 8), RPT00107210600 (Parcel 9) (collectively the "Property"), and in furtherance of the Amended RAA #4-1 Plan, the Agency intended to dispose of the Property to a for urban renewal projects and related activities;

WHEREAS, in 2017, the City of Twin Falls issued a Promissory Note to Agency in the principal amount of $5,000,000 related to the Agency's acquisition of a pretreatment facility from the City;

WHEREAS, under the Law, the Agency may dispose of property to another public entity without going through a formal disposition process, with the public entity obligated to commence any improvements for redevelopment of the property within a reasonable time (Idaho Code § 50-2011(e));

WHEREAS, under the Law, any public entity may purchase property from an urban renewal agency with or without consideration as the agency may determine and then must use the property for the purpose designated in the urban renewal plan, begin development within a period of time the agency determines is reasonable, and any other conditions the agency deems necessary to carry out the purposes of the Law (Idaho Code § 50-2015(f));

WHEREAS, the Agency desires to transfer the Property without requiring additional redevelopment of the Property due to the upcoming termination of the Amended RAA #4-1 Plan as such requirements are not applicable;

WHEREAS, the Agency has made payments to the City on September 30, 2019, and September 2, 2020, for a total of $2,000,000;

WHEREAS, the City has proposed the Agency transfer the Property to the City by special warranty deed in exchange for the release of the Promissory Note;

WHEREAS, the Agency Board has determined it is in the best interests of the Agency and of the public to transfer the Property to the City for the reasons and findings previously stated; and

WHEREAS, the Agency Board finds it in the best public interest to authorize the Agency to convey the Property by Special Warranty Deed and to record the Special Warranty Deed in the records of Twin Falls County, Idaho.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, AS FOLLOWS:

Section 1. The above recitals and statements are true and correct.

Section 2. That the Agency will transfer the Property to the City by a special warranty deed in exchange for a release of the promissory note.

Section 3. That the Agency Chair and/or Vice-Chair is authorized to finalize the Special Warranty Deed substantially attached as Exhibit A and transfer the Property to the City in exchange for the Release of Promissory Note substantially attached as Exhibit B, and to record the Special Warranty Deed in the records of Twin Falls County, Idaho.

Section 4. That the Executive Director is authorized to make revisions and/or replace the legal descriptions attached to the Special Warranty Deed as may be necessary to accurately reference the real property to be conveyed.

Section 5. This Resolution shall take effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of the City of Twin Falls, Idaho, on February ______, 2022. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on February ________, 2022.

APPROVED:

By___________________________________
Rudy Ashenbrener, Chair

ATTEST:

By _________________________________
Dan Brizee, Secretary

<u>EXHIBIT A</u>

SPECIAL WARRANTY DEED

Recording Requested By and
When Recorded Return to:

City of Twin Falls
203 Main Ave. E.
Twin Falls, Idaho 83301
Attn. City Attorney

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

SPECIAL WARRANTY DEED

This Special Warranty Deed made this _____ day of ___________________, 20_____ between URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS also known as THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS ("Grantor"), and the THE CITY OF TWIN FALLS, a municipal corporation, whose address is as above ("Grantee"), witnesseth:

That Grantor, for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, does, by these presents, grant, sell and convey unto Grantee and its successors and assigns forever, all the following described real estate situated in the County of Twin Falls, State of Idaho:

SEE SCHEDULE I ATTACHED HERETO AND INCORPORATED HEREIN.

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the rents, issues and profits thereof; and all estate, right, title and interest in and to the property, as well in law as in equity, except as expressly provided otherwise herein. To have and to hold, all and singular the above-described premises together with the appurtenances unto Grantee and its heirs and assigns forever.

Grantor makes no covenants or warranties with respect to title, express or implied, other than that previous to the date of this instrument, Grantor has not conveyed the same estate to any person other than Grantee and that such estate is at the time of the execution of this instrument free from encumbrances done, made or suffered by the Grantor, or any person claiming under Grantor, subject to any and all easements, restrictions, agreements and encumbrances of record or appearing on the land as of the date of this instrument.

[End of Text; Signature Follows]

EXECUTED EFFECTIVE as of the date stated above.

GRANTOR:

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS also known as THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

By:_______________________________________
Rudy Ashenbrener, Chair

STATE OF IDAHO)
) ss.
County of Twin Falls)

On this _____ day of ____________________, 2022, before me, ________________________________, a Notary Public in and for said State, personally appeared Rudy Ashenbrener, Chair, known or identified to me to be the Chair of URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, also known as THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, the public body, corporate and politic, who executed the within instrument on behalf of said Agency, and acknowledged to me that such Agency executed the same for the purposes herein contained.

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

____
Notary Public for Idaho
My commission expires ________________

SCHEDULE I

REAL PROPERTY DESCRIPTION

SCHEDULE I

REAL PROPERTY DESCRIPTION

Parcel 1 - RPT0001153001D

A parcel of and located in the northerly half of Block 153, Twin Falls Original Townsite, Section 16, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, and more particularly described as follows:

BEGINNING at the westerly corner of Lot 1 adjacent to the 20 foot alley way, this point also being the Real Point of Beginning;

THENCE North 44°36'46" East a distance of 110.00 feet along the westerly lot line of Lot 1;

THENCE North 89°36'46" East a distance of 21.21 feet;

THENCE South 45°23'14" East a distance of 370.00 feet along the northerly lot line of Lots 1, 2, 3, 4, 5, 6, the 15' alley, and part of Lot 7;

THENCE South 00°23'14" East a distance of 21.21 feet;

THENCE South 44°36'46" West a distance of 95.00 feet along the easterly lot line of Lots 7, 8, 9, 10 and part of Lot 11;

THENCE North 45°23'00" West a distance of 120.00 feet, running 10 feet southerly of and parallel to the northerly lot line of Lot 11;

THENCE South 44°37'00" West a distance of 15.01 feet to a point on the southerly lot line of Lot 6;

THENCE North 45°23'14" West a distance of 280.00 feet, along the southerly lot line of part of Lot 6 and Lots 5, 4, 3, 2 and 1, more or less, to the Real Point of Beginning (containing approximately 1.10 acres), RETAINING THEREFROM a utility easement 15' wide, centered along the sanitary sewer that is located within the vacated 15' alley between Lot 6 and Lots 7, 8, 9, 10, and 11.

Less and save and except the following land:

A parcel of land located in the SW¼ of Section 16, Township 10 South, Range 17 E., B.M., Twin Falls County, Idaho, said parcel being a portion of Lots 4, 5, and 6, Block 153 of the TWIN FALLS TOWNSITE,, more particularly described as follows:

BEGINNING at the Northwest corner of Lot 4, Block 153, Twin Falls Townsite; said point lies South 45°23'00" East 180.00 feet and South 44°37'00" West 40.00 feet from the intersection of Fifth Avenue West and Second Street West;

THENCE South 45°23'00" East 135.00 feet along the northeasterly boundary of Lots 4, 5 and 6 to a vacated alley right-of-way;

THENCE South 44°37'00" West 110.00 feet along said vacated alley right-of-way;

THENCE North 45°23'00" West 5.00 feet;

THENCE South 44°37'00" West 15.00 feet to the southwesterly boundary of said Lot 6;

THENCE North 45°23'00" West 130.00 feet along the southwesterly boundary of Lots 4, 5 and 6, Block 153, to the southwest corner of Lot 4;

THENCE North 44°37'00" East 125.00 feet to the POINT OF BEGINNING

Parcel 2 - RPT0001153007A

A parcel of land located in the SW¼ of Section 16, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, said parcel being a portion of Lots 4, 5 and 6, Block 153 of the Twin Falls Townsite, more particularly described as follows:

BEGINNING at the northwest corner of Lot 4, Block 153, Twin Falls Townsite; said point lies South 45°23'00" East 180.00 feet and South 44°37'00" West 40.00 feet from the intersection of Fifth Avenue West and Second Street West;

THENCE South 45°23'00" East 135.00 feet along the northeasterly boundary of Lots 4, 5 and 6 to a vacated alley right-of-way;

THENCE South 44°37'00" West 110.00 feet along said vacated alley right-of-way;

THENCE North 45°23'00" West 5.00 feet;

THENCE South 44°37'00" West 15.00 feet to the southwesterly boundary of said Lot 6;

THENCE North 45°23'00" West 130.00 feet along the southwesterly boundary of Lots 4, 5 and 6, Block 153, to the southwest corner of Lot 4;

THENCE North 44°37'00" East 125.00 feet to the Point of Beginning, together with their appurtenances.

Parcel 3 - RPT00107166005

A Parcel of land located in the Southwest Quarter of Section 16, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, more particularly described as follows:

Beginning at the Northeast corner of said Section 16;

THENCE South 44°37'23" West a distance of 5891.07 feet along the centerline of Shoshone Street to the centerline of 6th Avenue South;

THENCE South 44°37'00" West a distance of 88.95 along the centerline of said Shoshone Street;

THENCE South 45°23'00" East a distance of 45.00 feet to the intersection of the southeasterly boundary of said Shoshone Street and the northeasterly boundary of the Union Pacific Railroad right-of-way said point being the TRUE POINT OF BEGINNING;

THENCE South 71°57'06" East a distance of 883.79 feet along the northeasterly boundary of said Railroad right-of-way and the southwesterly boundary of Minidoka Avenue as shown on the townsite plat of Twin Falls, Idaho;

THENCE South 56°32'45" West a distance of 58.69 feet;

THENCE North 76°20'54" West a distance of 129.87 feet;

THENCE North 79°35'53" West a distance of 110.80 feet;

THENCE North 76°26'32" West a distance of 111.47 feet;

THENCE North 74°25'07" West a distance of 77.28 feet;

THENCE North 71°57'37" West a distance of 425.35 feet;

THENCE North 17°42'02" East a distance of 21.45 feet;

THENCE North 64°30'13" West a distance of 23.47 feet to the southeasterly boundary of said Shoshone Street;

THENCE North 44°37'00" East a distance of 65.14 feet along the southeasterly boundary of said Shoshone Street to the TRUE POINT OF BEGINNING.

The above described parcel contains 1.49 acres more or less.

Parcels 4, 5 & 6 – RPT00107166145, RPT5061009000A & RPT00107212550

A parcel of land located in Sections 16 and 21, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, more particularly described as follows:

BEGINNING at the Southwest corner of said Section 16;

THENCE North 72°20'29" East a distance of 497.11 feet to a point on the centerline of State Highway No. 74 coincident with Station 1472+23.62 of State Highway No. 74 (Shoshone Street) project No. BRS-2727(006) Highway Survey;

THENCE North 44°37'00" East a distance of 458.90 feet to said Station 1476+82.52 of said project centerline;

THENCE South 45°23'00" East a distance of 45.00 feet at right angles to said project centerline to a point on the Southeasterly right-of-way boundary of said project and the TRUE POINT OF BEGINNING;

THENCE South 45°59'36" East a distance of 266.57 feet to a point on the northeast rim of Rock Creek Canyon AND the southwest boundary of property formerly owned by Stockgrowers Commission Company;

THENCE South 50°47'00" East a distance of 462.30 feet along the rim of said Canyon and said Stockgrowers boundary;

THENCE North 71°11'43" East a distance of 273.25 feet along the rim of said Canyon and said Stockgrowers boundary to the northwest corner of property now or formerly belonging to the Sumner Sand & Gravel Company;

THENCE South 2°51'52" East a distance of 198.60 feet along the westerly boundary of said Sumner Sand & Gravel property to the centerline of Rock Creek;

THENCE westerly along the centerline of said Rock Creek the following courses and distances:

South 75°04'34" West a distance of 133.26 feet;

THENCE South 39°26'29" West a distance of 132.72 feet;

THENCE North 57°29'00" West a distance of 239.67 feet;

THENCE North 54°42'42" West a distance of 200.43 feet;

THENCE North 36°21'17" West a distance of 150.09 feet;

THENCE North 47°04'08" West a distance of 270.37 feet;

THENCE North 74°16'02" West a distance of 101.93 feet to a point on the southeasterly right-of-way of said Highway project No. BRS 2727(006);

THENCE North 44°37'00" East a distance of 206.92 feet along the southeasterly right-of-way of said Highway Project to the TRUE POINT OF BEGINNING.

SUBJECT TO: An easement for the construction of the Rock Creek Bridge over a strip of land 30.00 feet in width lying southeasterly of and adjacent to said project right-of-way and being the northwesterly 30.00 feet of the above described parcel.

AND SUBJECT TO: Public Access Easement from Jack O. McGuire and Mrs. Clarence B. McGuire (Fay), and Kenneth S. Ellis and Brenda T. Ellis, husband and wife, to the City of Twin Falls, Idaho, dated August 31, 1976, recorded October 21, 1976, as Instrument No. 704183, records of Twin Falls County, Idaho, more particularly described as follows: BEGINNING at a point on the Southeast end of the Shoshone Street bridge that is

North 61°05¼' East 839.54 feet from the section corner common to Sections 16, 17, 20, 21, Township 10 South, Range 17 E., B.M.;
THENCE South 32°46' East 69.42 feet;
THENCE South 41°34' East 396.54 feet;
THENCE South 49°36' East 356.84 feet to the REAL POINT OF BEGINNING of a 30-foot-wide access easement centered about the following described line;
THENCE North 36°30' West 300 feet;
THENCE North 28°30' West 170 feet;
THENCE North 35°30' West 200 feet;
THENCE North 21°45' West 50 feet;
THENCE North 7°45' West 90 feet to the end of the easement being a point that is North 60°33'23" East 1034.57 feet from the section corner common to Sections 16, 17, 20 and 21, Township 10 South, Range 17 E., B.M.

AND

A 15-foot easement centered on a line beginning at a point on the Southeast edge of the Shoshone Street bridge that is North 61°05¼" East 839.54 feet from the Section corner common to Sections 16, 17, 20 and 21, Township 10 South, Range 17 E., B.M.;
THENCE South 32°46' East 69.42 feet;
THENCE South 41°34' East 396.54 feet;
THENCE South 49°36' East 356.84 feet;
THENCE North 68°44' East 310.52 feet to a point on the Grantors' common fence line boundary with the Sumner Sand & Gravel Company that is North 83°17¼' West 1009.30 feet from the quarter corner common to Section 16 and 21, Township 10 South, Range 17 E., B.M. –

INITIAL KM KLM

Seller to have right of ingress & egress on easement described in legal description as described in Deed for property located on south side of Rock Creek. Easement to be used for commercial and private use by seller.

<u>Parcel 7 - RPT00107166612</u>

[Legal TBD]

Parcel 8 - RPT00107166620 **[**TBD if additional legal description needed]

That part of the unplatted portion of the Twin Falls Townsite, lying in the SE¼SW¼ of Section 16 and the NE¼NW¼ of Section 21, all in Township 10 South, Range 17 E., B.M., Twin Falls County, Idaho, lying North of and adjacent to Lots 1 and 10, Block 1 of Gardner's Third Subdivision, Twin Falls County, Idaho, more particularly described as follows:

COMMENCING at the intersection of the Southwest line of Maxwell Avenue and the Southeast line of Third Street South extended in the City of Twin Falls;

THENCE North 44°37' East 114.9 feet;

THENCE South 79°23' East 139 feet to the REAL POINT OF BEGINNING, said point of beginning being on the North rim of Rock Creek Canyon;

THENCE North 87°23' East up and along said canyon rim a distance of 405 feet to a point marked with a cross on rock;

THENCE South 12°21' West across said canyon a distance of 300 feet, more or less, to a point on the South rim of said canyon;

THENCE in a southerly direction up and along said south rim of said canyon a distance of 400 feet, more or less, to its intersection with the North line of Canyon View Avenue;

THENCE North 85°51' West along the North line of Canyon View Avenue a distance of 310.9 feet to the west line of Bell Street;

THENCE North 3°09' East 728.18 feet across Rock Creek Canyon to POINT OF BEGINNING.

EXCEPTING from the above that portion thereof heretofore platted as part of Gardner's Third Subdivision.

AND EXCEPTING therefrom any of said lands as may lie within the following described areas:

BEGINNING at a point on the continuation of the east side of Tenth Street, South 44°37" West 429.85 feet from the southwest corner of Block 147 of the Townsite of Twin Falls, Idaho;

THENCE South 44°37' West 50 feet;

THENCE South 45°23' East 100 feet;

THENCE North 44°37' East 50 feet;

THENCE North 45°23' West 100 feet to the PLACE OF BEGINNING as the same is platted in the official plat of Twin Falls Townsite.

The following described parcel of land situated in the town of Twin Falls:

BEGINNING at a point on the continuation South 44°37' West of a point on the continuation South 44°37' West for the East line of Tenth Street and 50 feet South 18°32' West of the Minidoka and Southwestern Railroad right of way;

THENCE South 44°37' West 50.0 feet;

THENCE South 45°23' East 100 feet;

THENCE North 44°37' East 98.2 feet to a line 50 feet from the Railroad Company's right of way;

THENCE North 71°08' West 111 feet to the POINT OF BEGINNING as the same is platted on the official plat of Twin Falls Townsite;

BEGINNING at a point South 44°37' West on the continuation of the East line of Tenth Street in the City of Twin Falls, Idaho, said point being on the right of way of the Minidoka and Southwestern Railroad Company, and 150 feet Southwesterly from and at right angles to centerline of said Minidoka and Southwestern R.R. Company's mainline;

THENCE South 44°37' West 55.9 feet;

THENCE South 71°57' West, more or less, (parallel and distant 200 feet from said centerline of railroad) 111 feet;

THENCE South 44°37' West 198.2 feet;

THENCE North 74°00' East 432.8 feet to a point distant 150 feet Southwesterly from and at right angles to said center line of railroad;

THENCE North 71°57' West 350 feet to Place of Beginning.

ALL in the SE¼SW¼ of Section 16, Township 10 South, Range 17 E., B.M., Twin Falls County, Idaho;

BEGINNING at a point on the continuation of the East side of Tenth Street in the City of Twin Falls, Idaho, South 44°37' West 479.85 feet from the Southwest corner of Block 147 in said City of Twin Falls;

THENCE South 44°37' West 50 feet;

THENCE South 45°23' East 100 feet;

THENCE North 44°37' East 50 feet;

THENCE North 45°23' West 100 feet to the Place of Beginning, as the same is platted on the official plat of Twin Falls Townsite.

Parcel 9 - RPT00107210600

Beginning at the Southeast corner of the NE¼NE¼, Section 21, Township 10 South, Range 17 East of the Boise Meridian, Twin Falls County, Idaho, and running; Thence in a Northwesterly direction along the meander line marking the North rim of Rock Creek Canyon in a series of distances and courses as follows:

North 67°30′ West 190.0 feet;
South 74°10′ West 115.0 feet;
North 83°00′ West 240.0 feet;
North 34°49′ West 170.4 feet;
North 18°10′ West 350.0 feet;
North 12°50′ West 290.0 feet;
North 29°40′ West 190.0 feet;
North 46°50′ West 230.0 feet;
South 88°50′ West 140.0 feet;
South 72°20′ West 280.0 feet;
North 85°30′ West 70.0 feet;
North 53°00′ West 58.0 feet;
South 39°24′ West across said Rock Creek Canyon a distance of 569.0 feet to a point on the North line of Diamond Avenue extended, said point being 50 feet North of the North line of Lot 49 of said Buena Vista Addition, and running; thence South 86°23′ East 351.0 feet to the East extremity of said Diamond Avenue; Thence South 41 feet; Thence Southeasterly along the meander line marking the South line of said Rock Creek Canyon, in a series of distances and courses as follows:

South 86°23′ East 145.3 feet;
South 67°30′ East 215.8 feet;
South 41°20′ East 108.6 feet;
South 7°50′ West 358.5 feet West to a point on the South line of said NE¼NE¼ 21-10-17, said point being approximately 75 feet South 86°31′ East from the Southwest corner of said NE¼NE¼ 21-10-17; Thence South 86°31′ East along the South

~~NE¼NE¼ 21-10-17; Thence South 86°31' East along the South~~ line of said NE¼NE¼ 21-10-17 and across said Rock Creek Canyon a distance of 1223 feet more or less, to the POINT OF BEGINNING.

Together with all water and ditch rights appurtenant thereto, including, but not limited to, State of Idaho, water right claim numbers 47-04298 and 47-04299.

EXHIBIT B

RELEASE OF PROMISSORY NOTE

RELEASE OF PROMISSORY NOTE

Effective Date: ____________________, 2022

In consideration of full payment of a 2017 Promissory Note in the principal amount of FIVE MILLION DOLLARS ($5,000,000.00) ("Promissory Note") by and between the CITY OF TWIN FALLS, IDAHO, a municipal corporation ("Lender"), with an address of 203 Main Ave. E, Twin Falls, Idaho, and the URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, an independent body politic and corporate ("Borrower"), with an address of 203 Main Ave. E, Twin Falls, Idaho, consisting of payments made by Borrower to Lender on September 30, 2019 and September 3, 2020 for a combined amount of $2,000,000, plus the conveyance of certain real property identified in the Special Warranty Deed executed concurrently herewith, and to be recorded by Lender in the records of Twin Falls, County, Idaho, conveying real property to Lender, Lender releases and discharges Borrower from any claims, liabilities, or obligations, in law or in equity, whether known or unknown, arising from the Promissory Note, and the execution and delivery thereof.

The signature below signifies that this release is binding upon Lender and Lender's successors, legal representatives, executors and assigns.

Lender warrants that the Promissory Note has not been assigned, ceded, transferred, or sold to a third party and warrants its authority as the Promissory Note holder to issue this Release of Promissory Note.

CITY OF TWIN FALLS, IDAHO

By: ________________________________
Ruth Pierce, Mayor