



Urban Renewal Agency Agenda

Monday, March 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 February 14, 2022 meeting; 2) February 2022 Financial Report; and 3) March 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 of the 2021 Annual Report followed by a Request for Public Comment and a Request to Approve Resolution No. 2022-03 authorizing the filing of the 2021 Annual Report per Idaho Law.
By: Travis Rothweiler, City Manager & Interim Executive Director
 - b) **ACTION ITEM:** Consider Resolution 2022-04 to approve the Real Property Purchase and Sale Agreement for the acquisition of real property in Twin Falls Townsite located at Block 132, Lots 10, 11, 12, 13, 14, 15 & 16 (RPT0001132010A and RPT0001132013A) at a cost of \$750,000, plus closing costs.
By: Travis Rothweiler, City Manager & Interim Executive Director
- 6) General Input/Announcements - Public/Staff
- 7) Upcoming Meeting(s)
 - a) Monday, April 11, 2022 @ 12:00 pm
- 8) Executive Session
 - a) **ACTION ITEM:** Executive Session pursuant to Idaho Code §74-206(1)(c) to acquire an interest in real property not owned by a public agency.
(The meeting will not return to open session.)
- 9) 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.



Urban Renewal Agency Minutes

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

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

Absent: None

Staff: Lorrie Bauer, Administrative Assistant; Brent Hyatt, Assistant Finance Director; Jesse

Present: Schuerman, Staff Engineer; Travis Rothweiler, City Manager & Interim URA Executive Director; Jonathan Spendlove, Planning & Zoning Director; Ruth Pierce, City Council Liaison; Meghan Conrad, Special Counsel

Chair Ashenbrener called the meeting to order at 12:02 PM. A quorum was present.

2) Conflict of Interest Declaration

Commissioner Brizee announced he had a conflict with the proposed new allocation area on the agenda today due to his working relationship with Summit Creek.

3) Consent Calendar

- a) Request to approve 1) Minutes for the January 24, 2022 meeting; 2) January 2022 Financial Report; 3) February 2022 Accounts Payable.

MOTION: Jan Rogers moved to approve the consent calendar as presented. 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

Communication continues with Galena to develop a DDA on the 2nd & Hansen/Shoshone project. Currently reviewing developer changes to the project to determine if previous approvals by the Agency and City Council have been affected. Due to having \$2M earmarked for a public parking garage, Rothweiler asked the Board to be thinking of a cut-off date for a signed agreement for this project. If no agreements have been made, the money could be used for another project within the plan of the 4-1 area, or forfeited back to the taxing entities upon closure of the district. Due to being in the early stages of Area 4-1 closeout, the 2nd Avenue project could also be created in the new area currently being discussed.

The City will begin recruiting for an economic development director towards the end of April. It is estimated the search could take 3-6 months. Members of the Urban Renewal Agency will be invited to assist in the process. Travis will continue to work with the agency and the new director through the transition. There will be an emphasis on the understanding or the ability to learn the value of tax increment financing, how revenue allocations work, and how the agency works as a tool for the City.

5) Items of Consideration

- a) Presentation and Request for Approval of the FY2021 Audited Financial Statements.
Brent Hyatt introduced Scott Hunsaker of Mahlke Hunsaker & Company, to present the audited financial statements. Mr. Hunsaker reported a clean opinion was given, which means no issues were found and it was a clean report.
MOTION: Jan Rogers moved to approve the FY2021 audited financial statements. Dan Brizee seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.
- b) 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.
Travis Rothweiler explained this report is required by Title 50 of the Idaho Code. He shared the purpose of the report is to describe the major activities that the Board vested its time, energy and resources into, and mainly to present the financial information. The draft report was presented.
MOTION: JJ McBride motioned to tentatively approve the draft 2021 Annual Report and set a public meeting for March 14th, 2022. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.
- c) 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.
Counselor Megan Conrad of Elam & Burke introduced this agenda item and explained the report is a statutory requirement and the first step to determine if conditions exist that warrant a potential urban renewal project. If conditions are warranted and this report is accepted, it will go to the City Council for its consideration. If approved by the City Council, they will direct the agency to prepare an urban renewal plan, which would be step two. Consultant Phil Kushlan of Kushlan Associates verbalized the report concluding the area does comply with the statutory requirements for an urban renewal area.
Discussion ensued about the agricultural landowners concurrence.
MOTION: Andy Hohwieler moved to approve Resolution No. 2022-01 accepting the Orchard Drive East URA district (proposed) eligibility report dated January 2022, and direct the executive director to transmit the report and resolution to the City Council for its consideration for designation of an urban renewal area. Dave McAlindin seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0. Commissioner Brizee abstained.
- d) Consider approval of Resolution No. 2022-02 to transfer real property owned by the Agency to the City of Twin Falls.
Travis Rothweiler shared the background and purpose of this resolution. The City has a significant interest in properties that the Agency owns in the Rock Creek area for a water quality improvement project. In exchange for these properties, the City would cancel the balance of the 2017 Promissory Note of \$3,000,000. The parcels requested in Rock Creek will assist largely with water projects and a cleanup of parking lot parcels that should have been transferred a long time ago. Discussion ensued. Travis then shared that if the Agency approves this property transfer request, it would be presented to the City Council for their approval later on today.

MOTION: Alexandra Caval moved to consider approval of Resolution No. 2022-02 to transfer real property owned by the Agency to the City of Twin Falls. Dave McAlindin seconded the motion. The roll call vote showed all members present voted. Approved 7 to 0.

Assuming the Council approves this transaction, Travis explained new opportunities could exist utilizing \$3-5M prior to the end of the 4-1 area. He encouraged the commissioners to brainstorm ideas for future conversations.

6) General Input/Announcements - Public/Staff: None.

7) Upcoming Meeting(s): March 14, 2022

8) Adjournment

MOTION: Alexandra Caval moved to adjourn today's meeting. Jan Rogers seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0. The meeting adjourned at 12:51 PM.

Lorrie Bauer, Administrative Assistant

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

	Feb 22
Ordinary Income/Expense	
Income	
Investment Income	63.78
Property Taxes	5,396,701.80
Total Income	5,396,765.58
Gross Profit	5,396,765.58
Expense	
RAA 4-1	
City Property Expense	
Commons (129 Hansen) & Main	487.59
Bowyer Park (122 4th Ave S)	12.13
Total City Property Expense	499.72
Other Properties/Projects	259.75
Total RAA 4-1	759.47
Debt Payments - Interest	27,446.75
Legal Expense	10,114.50
Meeting Expense	155.25
Total Expense	38,475.97
Net Ordinary Income	5,358,289.61
Net Income	5,358,289.61

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

	Oct '21 - Feb 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	1,120.35	3,325.00	-2,204.65	33.7%
Other Income	0.00	150,000.00	-150,000.00	0.0%
Property Taxes	5,572,135.92	7,820,517.00	-2,248,381.08	71.3%
Rental Income	9,333.32	30,000.00	-20,666.68	31.1%
Total Income	5,582,589.59	8,947,442.00	-3,364,852.41	62.4%
Gross Profit	5,582,589.59	8,947,442.00	-3,364,852.41	62.4%
Expense				
General Development Projects	41,146.53			
RAA 4-1				
City Property Expense				
Commons (129 Hansen) & Main	2,858.38			
Bowyer Park (122 4th Ave S)	57.41			
Total City Property Expense	2,915.79			
Downtown Art	8,383.00			
Downtown Development	38,126.00			
Other Properties/Projects	15,709.19			
RAA 4-1 - Other	0.00	2,871,218.00	-2,871,218.00	0.0%
Total RAA 4-1	65,133.98	2,871,218.00	-2,806,084.02	2.3%
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	27,446.75	656,487.00	-629,040.25	4.2%
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	36,020.85	65,000.00	-28,979.15	55.4%
Management Fee	208,000.00	208,000.00	0.00	100.0%
Meeting Expense	940.68	1,500.00	-559.32	62.7%
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	2,460.79	30,000.00	-27,539.21	8.2%
Property Tax Expense	84.76			
Repairs and Maintenance	69,889.60	69,890.00	-0.40	100.0%
Total Expense	455,723.94	10,638,042.00	-10,182,318.06	4.3%
Net Ordinary Income	5,126,865.65	-1,690,600.00	6,817,465.65	-303.3%
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	5,126,865.65	-1,690,600.00	6,817,465.65	-303.3%

Urban Renewal Agency - Accounts Payable - March, 2022

<u>Check #</u>	<u>Date</u>	<u>Paid Amount</u>	<u>Name</u>	<u>Account</u>	<u>Fund</u>	<u>Memo</u>
4608	2/25/2022	53,034.18	Zions First National Bank	Zions #8617 - Excess Funds	zz-Bond Fund - Zions Bank-Clif	Clif Bar Bond Shortage
4609	3/8/2022	1,600.00	Aquatic Renovation Systems, Inc.	Commons (129 Hansen) & Main	RAA 4-1(Original)	Water fountain PVC Membrane (material) #5111-LL-2
4610	3/8/2022	58.08	City of Twin Falls	Meeting Expense	General	Ex Committee Lunch 20220222 - Reimb. 101.18.10.447.00
4611	3/8/2022	7,965.00	Elam & Burke	Legal Expense	General	Professional Fees for General -02 / #194400
4611	3/8/2022	45.00	Elam & Burke	Legal Expense	General	Professional Fees for Wash St S -04 / #194401
4611	3/8/2022	2,261.50	Elam & Burke	Legal Expense	General	Professional Fees for Orchard Dr E -06 / #194470
4612	3/8/2022	11.90	Idaho Power	Bowyer Park (122 4th Ave S)	RAA 4-1(Original)	Power for #2220512228 for 20220208
4612	3/8/2022	255.95	Idaho Power	Commons (129 Hansen) & Main	RAA 4-1(Original)	Power for #2224040226 for 20220208
4613	3/8/2022	213.11	Intermountain Gas Company	Commons (129 Hansen) & Main	RAA 4-1(Original)	Gas for #73747812375 for 20220215
4614	3/8/2022	2,214.20	Kushlan Associates	Professional Fees	General	Orchard RAA / #2022-2
4615	3/8/2022	166.00	Lorrie Bauer	Meeting Expense	General	Reimbursement for 20220214 Lunch
4615	3/8/2022	34.00	Lorrie Bauer	Office Expense	General	Reimbursement for Notary Stamp
4616	3/8/2022	611.64	Webb Landscape, Inc.	Other Properties/Projects	RAA 4-1(Original)	Wreaths on Hansen St / #T-IN-170344



Date: Monday, March 14, 2022

To: Urban Renewal Agency of the City of Twin Falls

From: Travis Rothweiler, City Manager & Interim Executive Director

ACTION ITEM

Request:

Presentation of the 2021 Annual Report followed by a Request for Public Comment and a Request to Approve Resolution No. 2022-03 authorizing the filing of the 2021 Annual Report per Idaho Law.

Background:

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.

The 2021 Annual Report was tentatively approved at the February 14, 2022 meeting. The Agency will hear public comments on the 2021 Annual Report at today's meeting and then consider adopting the report and direct Agency staff to file the 2021 Annual Report as indicated by Idaho law.

Approval Process:

A 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 report and postage to distribute it to those who request it.

Regulatory Impact:

N/A

Conclusion:

Staff recommends that the Board approve the 2021 Annual Report. Completion of this process will have the Agency in compliance with the statutory requirement for reporting.

Attachments:

1. 2021 URA Annual Report
2. Resolution 2022-03 - 2021 Annual Report



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-units 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, modern 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.

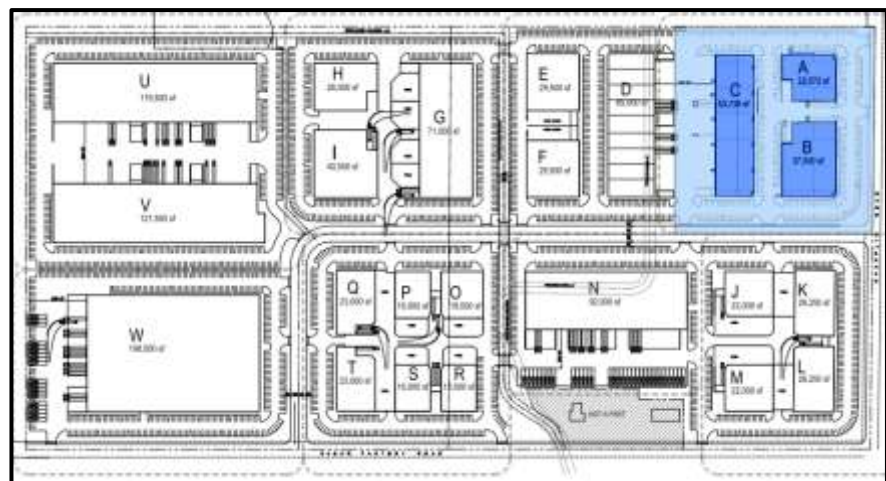
The Board's vision for the new area included additional downtown housing, hotels, a convention center, continued small development on Main Avenue, commercial and light industrial development (assembly) in the Historical Warehouse District. Several public infrastructure improvements were discussed, including 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

			Percentage Change
	2021	2020	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

			Percentage Change
	2021	2020	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.

RESOLUTION NO. 2022-03

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 APPROVING THE 2021 ANNUAL REPORT OF THE URBAN RENEWAL AGENCY; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT WITH THE CITY AND IDAHO STATE CONTROLLER; DIRECTING CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR TO SUBMIT SAID REPORT; 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, Idaho Code 50-2006(5)(c) requires every urban renewal agency exercising powers under the Law to file with the local governing body and the Idaho State Controller on or before March 31 of each year a report of its activities for the preceding calendar year, which report shall include certain financial information; and,

WHEREAS, Idaho Code 50-2006(5)(c) requires every urban renewal agency to hold a public meeting to report these findings and take comments from the public; and,

WHEREAS, pursuant to Idaho Code 50-2006(5)(c), Agency staff prepared the annual report of the Agency's activities for calendar year 2021, a copy of which report is attached hereto as **Exhibit A** and incorporated herein by reference;

WHEREAS, the Agency Board reviewed and tentatively approved the draft annual report at the February 14, 2022, Agency Board meeting and directed that the report be made available to the public and that notice of availability be published and posted;

WHEREAS, Agency representatives took steps to provide a copy of the report for public review and comment;

WHEREAS, on March 14, 2022, pursuant to Idaho Code 50-2006(5)(c), the Agency held an open public meeting, properly noticed, to report these findings in the annual report and to take comments from the public at the Council Chambers, 203 Main Avenue East, Twin Falls, Idaho, on the proposed annual report.

WHEREAS, Idaho Code 50-2006(5)(c) requires every urban renewal agency, at the time of filing the report, to publish in a newspaper of general circulation in the community a notice that the

report has been filed with the municipality and the Idaho State Controller and that the report is available for inspection during business hours in the office of the City Clerk and the Agency.

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 2021 Annual Report attached hereto as “**Exhibit A**” and the notice of filing the annual report attached hereto as “**Exhibit B**” are hereby approved and adopted by the Agency Board.

Section 3: That the Board Chair, Vice Chair, or Executive Director shall submit said annual report to the City Clerk of the City of Twin Falls, Idaho, and the Idaho State Controller, as directed by the Idaho State Controller’s staff, on or before March 31, 2022.

Section 4: 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, Idaho, on March 14, 2022. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on March ____, 2022.

APPROVED:

By _____
Rudy Ashenbrener, Chair

ATTEST:

By _____
Dan Brizee, Secretary

Exhibit A

2021 Annual Report

Exhibit B

Notice of Filing

PUBLIC NOTICE

As required by Idaho Code Section 50-2006(5)(c), the Urban Renewal Agency of the City of Twin Falls, Idaho, has filed its 2021 Annual Report with the City of Twin Falls. It is anticipated information within the 2021 Annual Report will be submitted to the Idaho State Controller pursuant to Idaho Code Section 67-1076. This report is available for inspection during business hours in the office of the City Clerk and Urban Renewal Agency located at City Hall, 203 Main Avenue East, 3rd Floor, Twin Falls, Idaho. The report is also available on the Agency's website at <https://www.tfid.org/126/Urban-Renewal-Agency>.

Published: _____



Date: Monday, March 14, 2022

To: Urban Renewal Agency of the City of Twin Falls

From: Travis Rothweiler, City Manager & Interim Executive Director

ACTION ITEM

Request:

Consider Resolution 2022-04 to approve the Real Property Purchase and Sale Agreement for the acquisition of real property in Twin Falls Townsite located at Block 132, Lots 10, 11, 12, 13, 14, 15 & 16 (RPT0001132010A and RPT0001132013A) at a cost of \$750,000, plus closing costs.

Background:

The Urban Renewal Agency wishes to acquire real property on Block 132, Lots 10-16, in the original townsite, more commonly known as 164 3rd Avenue South in Twin Falls, Idaho. The Agency intends to acquire the property with the intent of redeveloping it. While no specific plans have been made, the Agency believes this parcel could be an important part of the overall redevelopment of this part of Twin Falls.

The City Manager/Acting Executive Director supports the request and recommends approval.

Approval Process:

The approval process is 50% +1 of the Agency members present.

Budget Impact:

There is a budget impact of \$750,000, plus appropriate closing costs.

Regulatory Impact:

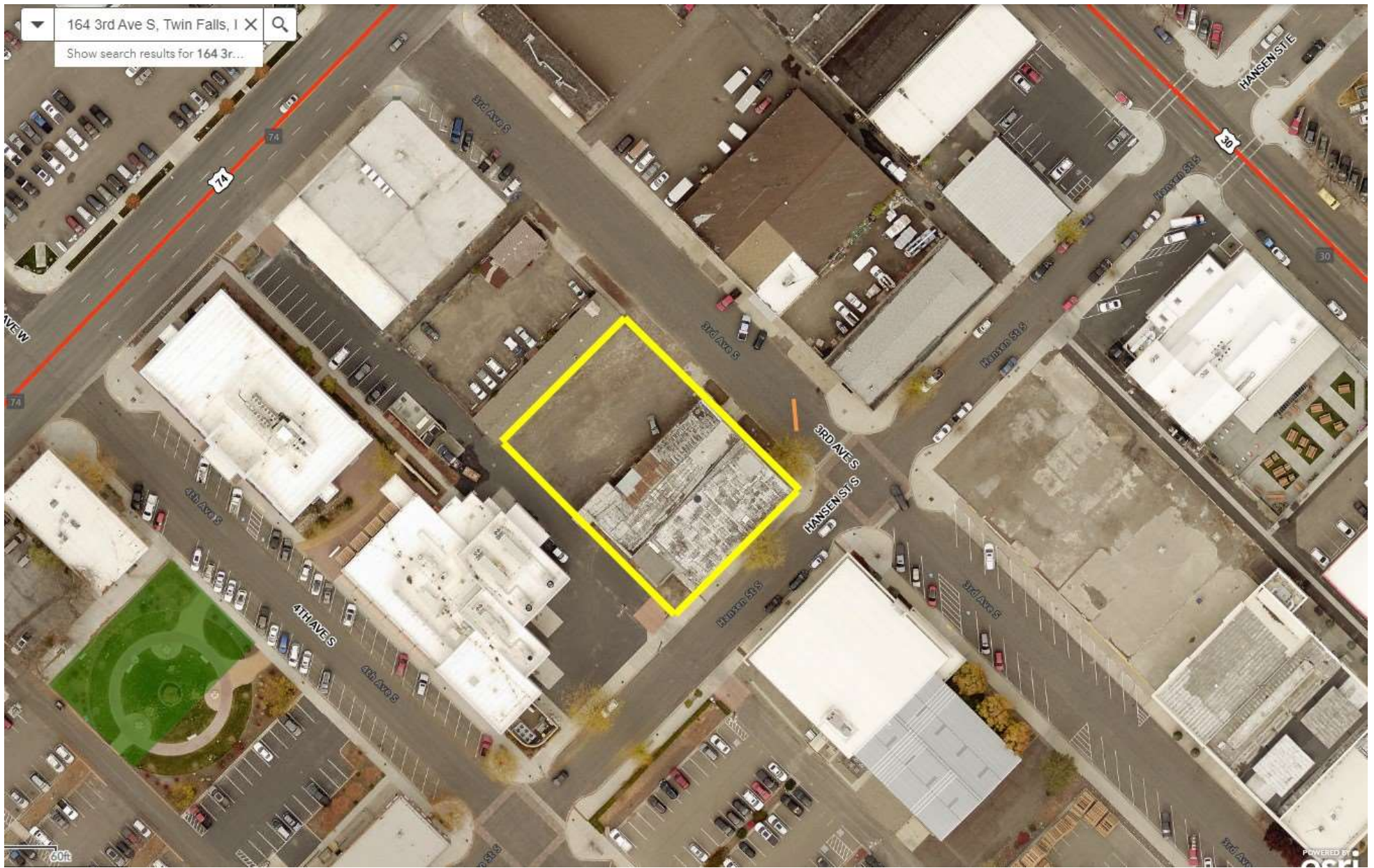
N/A

Conclusion:

Staff recommends approval of the Resolution approving the agreement acquiring the real property in the Twin Falls Townsite located at Block 132, Lots 10, 11, 12, 13, 14, 15 & 16 at a cost of \$750,000.

Attachments:

1. 164 3rd Ave S - Map
2. Resolution 2022-04 - Property Acquisition Blk 132 Lots 10-16



RESOLUTION NO. 2022-04

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, APPROVING THE REAL PROPERTY PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS AND TFOZ, LLC; AUTHORIZING AND DIRECTING THE CHAIR AND VICE-CHAIR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST ANY AND ALL DOCUMENTS OR AGREEMENTS NECESSARY TO ACQUIRE THE PROPERTY, SUBJECT TO CERTAIN CONTINGENCIES; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENT; AUTHORIZING THE APPROPRIATION OF CERTAIN FUNDS PURSUANT TO THE AGREEMENT; 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"), as 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, TFOZ, LLC, an Idaho limited liability company (the "Owner"), is the owner of certain real property located in the City of Twin Falls, County of Twin Falls, State of Idaho, and within the RAA #4-1, as amended, at 3rd Avenue South and Hansen Street South, and legally described as Lots 10, 11, 12, 13, 14, 15 and 16, Block 132, Twin Falls Townsite, Twin Falls County, Idaho, according to the final and amended plat thereof recorded in Book 1 of Plats, Page 7, records of Twin Falls County, Idaho (Paracel Nos. RPT0001132010A and RPT0001132013A) (the "Property");

WHEREAS, the Property, or portions thereof, have been identified by the Agency as a potential site for private development, for certain public improvements and/or other mixed uses;

WHEREAS, attached is the Real Property Purchase and Sale Agreement (the "Agreement"), a copy of which is attached here to as Exhibit A;

WHEREAS, the Agency desires to purchase the Property from TFOZ, LLC for purposes of redevelopment in compliance with the Amended RAA #4-1 Plan, the Law and the Act;

WHEREAS, the Agency has sufficient funds to acquire the Property;

WHEREAS, the Agency Board finds it in the best interest of the Agency and the public to approve the purchase of the Property and to authorize the Chair and Vice-Chair, and Secretary, respectively, to execute the Agreement, closing documents and to pay the purchase price subject to the conditions set forth below.

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 hereby approves the Real Property Purchase and Sale Agreement, attached hereto as Exhibit A and incorporated herein by reference.

Section 3: That the Chair, Vice-Chair, and Secretary, respectively, are authorized and directed to execute the Agreement, and any and all documents or agreements necessary to acquire the Property, including the documents necessary to appropriate and tender the purchase price of SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00) along with

specified closing costs from the Agency FY2022 budget, subject to satisfaction of all contingencies set forth in the Agreement, including but not limited to any necessary escrow instructions and any necessary technical changes to the Agreement or other closing documents, upon advice from Agency legal counsel that said changes are consistent with the provisions of this Resolution.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of the City of Twin Falls, Idaho, on March 14, 2022. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on March 14, 2022.

APPROVED:

By _____
Rudy Ashenbrener, Chair

ATTEST:

By _____
Dan Brizee, Secretary

Exhibit A
Real Property Purchase and Sale Agreement

REAL PROPERTY PURCHASE AND SALE AGREEMENT

THIS REAL PROPERTY PURCHASE AND SALE AGREEMENT ("**Agreement**") is by and between TFOZ, LLC, an Idaho limited liability company ("**Seller**") and the URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, an independent public body, corporate and politic, organized pursuant to the Idaho Urban Renewal Law of 1965, title 50, chapter 20, Idaho Code, as amended, and undertaking projects under the authority of the Law and the Local Economic Development Act, title 50, chapter 29, Idaho Code, as amended ("**Buyer**"). Seller and Buyer may be referred to herein as the "parties" or a "party" as the case may be. The "**Effective Date**" of the Agreement is the last date signed by both Seller and Buyer.

RECITALS

A. Seller is the owner of approximately 0.502 acres of certain real property improved with a commercial building in the City of Twin Falls, Twin Falls County, Idaho, as legally described and approximately depicted on Exhibit A attached hereto, including and any and all rights, easements, rights, water and mineral rights, tenements, privileges, road and access rights, and ditch rights, appurtenant to the real property (collectively "**Property**").

B. The Property is subject to at least one commercial lease ("**Lease**" or, if more than one, collectively "**Leases**").

C. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer, based on the terms and conditions in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

1. PROPERTY. Seller agrees to sell, transfer, and convey all right title and interest in the Property, and Buyer agrees to purchase the Property, for a purchase price and subject to the terms and conditions set forth in this Agreement.

2. PURCHASE PRICE. Buyer will pay to Seller the following for the Property: SEVEN HUNDRED FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$750,000.00) ("**Purchase Price**"). Buyer will pay the Purchase Price as follows:

(a) Buyer will deposit Five Thousand Five and No/100 Dollars (\$5000.00) ("**Deposit**") as earnest money in escrow with First American Title Company, 1502 Locust St N Ste 300, Twin Falls, ID 83301 ("**Title Company**") within three (3) business days after the Effective Date, along with a fully executed Agreement. The Deposit will be applied toward the Purchase Price at Closing; and

(b) Buyer will pay the remainder of the Purchase Price in additional cash, or other immediately available funds, subject to applicable deposits, prorations, credits, or other adjustments required by this Agreement, at Closing.

3. APPRAISAL. On or before the Effective Date, Buyer, at its cost, will immediately order an appraisal to determine the fair market value of the Property ("**Appraisal**") from an appraiser located in Twin Falls, Idaho ("**Appraiser**"). If the Appraisal for the Property is less than the Purchase Price, the Buyer has the option to terminate this Agreement upon five (5) days' prior written notice to Seller and receive a refund of its Deposit.

4. TITLE REPORT AND OBJECTIONS.

(a) Within three (3) days after the Effective Date, Seller will cause Title Company to deliver a current Preliminary Title Report and copies of all exceptions ("**Title Report**") for a standard coverage title insurance policy in the amount of the Purchase Price ("**Title Policy**") for the Property to Buyer and Seller. Seller will pay for a standard coverage Title Policy. Buyer will pay for any desired extended coverage and endorsement. If Buyer is dissatisfied with any exception in the Title Report, then Buyer may (a) cancel this Agreement by giving written notice of cancellation to Seller prior to the expiration of the Review Period (defined below), and the Deposit will be returned to Buyer or (b) provisionally accept the title subject to Seller's agreement to cause the removal of Buyer's disapproved exceptions or objections. Seller will notify Buyer in writing within five (5) days after receiving Buyer's written notice of disapproval of any exception whether Seller intends to remove or address such exception. Seller's lack of response will be deemed as Seller's agreement to remove the objectionable exceptions (or obtain title insurance endorsements to address if acceptable to Buyer) prior to Closing. If written notice of dissatisfaction is not given by Buyer to Seller prior to the expiration of the Review Period, then Buyer will be deemed to have approved of the condition of the title of the Property as shown by the Title Report.

(b) Seller's conveyance of the Property will be free and clear of all liens, encumbrances, and other exceptions of title, except the liens of taxes and assessments not yet due and payable, those exceptions approved or deemed approved by Buyer pursuant to this Agreement ("**Permitted Exceptions**").

(c) In the event the Title Report is amended to include new exceptions that are not set forth in a prior Title Report, Buyer will have the ability to object to such new exceptions or cancel this Agreement and receive a refund of the Deposit, subject to Seller's agreement to cause the removal of any new disapproved exceptions or objections. If Seller does not intend to remove such exceptions and objections before Closing, then Buyer may elect in writing to (i) have the Deposit returned to Buyer upon demand and all obligations will terminate, or (ii) Buyer may waive such objections and the transaction will close as scheduled.

5. REVIEW PERIOD.

(a) Review Period. Buyer will have sixty (60) days after the Effective Date ("**Review Period**"), at Buyer's sole cost, within which to conduct and approve any investigations, studies or tests deemed necessary by Buyer, in Buyer's sole discretion, to determine the desirability and feasibility of acquiring the Property, including, but not limited to, Buyer's right to review and approve the title, the Seller Materials (defined below), the Appraisal, and any other reports or tests desired by Buyer. Buyer may terminate the Agreement for any reason during the Review Period.

(b) Seller Materials. Seller agrees to deliver to Buyer within three (3) business days after the Effective Date all information in Seller's possession, including a copy of all Leases, surveys, reports, engineering, soil tests, water tests, environmental tests, income, and other information related to parking operations, and like matters regarding the Property, at no cost to Buyer ("**Seller Materials**").

Buyer will keep all such deliveries confidential except for contacts with professionals such as lawyers, engineers, accountants, or brokers who are assisting Buyer with this transaction.

(c) Right of Entry. Subject to the rights under the Leases, Seller hereby grants to Buyer and Buyer's agents, employees, and contractors the right to enter upon the Property during the Review Period, at any time or times during regular business hours and upon reasonable advance notice, to conduct its review. Buyer agrees to indemnify, protect, defend, and hold Seller harmless from any and all liabilities, claims, losses, or damages, including, but not limited to, court costs and attorneys' fees, which may be incurred by Seller because of the review, unless caused by the willful or negligent act or omission of Seller, its agents, contractors, or employees or existing conditions upon the Property. Upon completion of its review, Buyer will restore the Property substantially to its condition existing immediately prior to its review.

(d) Cancellation. Unless Buyer notifies Seller in writing, on or before the end of the Review Period of Buyer's election to proceed with the purchase of the Property, this Agreement will be deemed canceled and the Deposit will be returned immediately to Buyer and, except as otherwise provided in this Agreement, neither of the parties will have any further liability or obligation under this Agreement.

(e) Deposit. If Buyer notifies Seller in writing that Buyer elects to proceed with the purchase of the Property prior to or on the expiration of the Review Period, the Deposit will become non-refundable to Buyer, except in the event of default by Seller or Buyer's permitted termination of this Agreement but will be applicable toward the Purchase Price.

6. CLOSING CONDITIONS.

(a) Buyer's obligations to close under this Agreement are subject to the following conditions to be satisfied or waived by Closing: (i) approval of Buyer's Board of this Agreement and this transaction; (ii) an Appraisal of at least in the amount of the Purchase Price; and (ii) Seller's performance under this Agreement, including the delivery to Title Company of all documents necessary for Closing. If the foregoing conditions have not been satisfied by Closing, then Buyer will have the right by giving written notice to Seller and Title Company, to cancel this Agreement, and the Deposit will be returned immediately to Buyer and, except as otherwise provided in this Agreement, neither of the parties will have any further liability or obligation under this Agreement.

(b) Seller's obligations to close under this Agreement are subject to the following conditions to be satisfied or waived by Closing: Buyer's performance under this Agreement, including the delivery to Title Company, of all documents necessary for Closing. If the foregoing conditions have not been satisfied by Closing, then Seller will have the right, by giving written notice to Buyer and Title Company, to cancel this Agreement, and the Deposit will be paid immediately by Title Company to Seller and, except as otherwise provided in this Agreement, neither of the parties will have any further liability or obligation under this Agreement.

7. SELLER'S REPRESENTATIONS AND WARRANTIES. Seller hereby represents and warrants the following to Buyer as of the Effective Date and again as of Closing:

(a) There are no unrecorded leases, licenses, easements, liens, or encumbrances which may affect title to the Property, except for the Leases provided to Buyer as a part of the Seller Materials;

- (b) No notice of violation has been issued with regard to any applicable regulation, ordinance, requirement, covenant, condition or restriction relating to the present use or occupancy of the Property by any person, authority or agency having jurisdiction;
- (c) There is no impending or contemplated condemnation or taking by inverse condemnation of the Property, or any portion thereof, by any governmental authorities;
- (d) There are no suits or claims pending or that are threatened with respect to or in any manner affecting the Property, nor does Seller know of any circumstances which should or could reasonably form the basis for any such suits or claims which have not been disclosed in writing to Buyer by Seller;
- (e) There are no pending proceedings, the object of which would be to change the present zoning or other land-use limitations;
- (f) Seller has full power and authority to execute, deliver and perform under this Agreement;
- (g) The execution, delivery and performance of this Agreement does not and will not constitute a breach or default under any other agreement, law or court order under which Seller is a party or may be bound or involving the Property;
- (h) No default of Seller exists under the Leases or other contracts provided by Seller and no default of the other parties exists under the Leases or contracts;
- (i) No contracts between Seller and any third parties will be in effect from and after Closing, other than the Leases; and
- (j) Seller has no knowledge of any Hazardous Waste having been produced, released, stored, or deposited over, under, or upon the Property by any person. As used in this paragraph, "Hazardous Waste" will be defined as any hazardous substance, underground storage tanks, pollutants, contaminants or hazardous wastes as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Resource Conservation and Recovery Act ("RCRA"), as amended, or any other similar local, state or federal law, rule or regulation, including, without limitation, asbestos, PCB's, petroleum and petroleum products, and urea formaldehyde.

If Seller receives notice or knowledge of any information regarding any of the matters set forth in this Section after the Effective Date and prior to Closing, Seller will immediately notify Buyer in writing. All representations and warranties made in this Agreement by Seller will survive for one (1) year following the execution and delivery of this Agreement and Closing.

8. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer hereby represents and warrants to Seller as of the Effective Date and again as of Closing that:

- (a) Subject to its Board approval identified above, Buyer has full power and authority to execute, deliver and perform under this Agreement;
- (b) There are no actions or proceedings pending or threatened against Buyer which may in any manner whatsoever affect the validity or enforceability of this Agreement; and

(c) The execution, delivery and performance of this Agreement have not and will not constitute a breach or default under any other agreement, law or court order under which Buyer is a party or may be bound.

If Buyer receives notice or knowledge of any information regarding any of the matters set forth in this Section after the Effective Date and prior to Closing, Buyer will immediately notify Seller in writing. All representations and warranties made in this Agreement by Buyer will survive for one (1) year following the execution and delivery of this Agreement and Closing.

9. CONTINUING OPERATION OF PROPERTY. Seller agrees that, between the Effective Date and Closing or any earlier termination of this Agreement, Seller will continue to operate the Property as currently operated by Seller, maintain the Property in its current condition and perform required and routine maintenance as may be provided in the Leases, amend, terminate or enter into additional leases or contracts, to not place or permit to be placed on any portion of the Property any new improvements of any kind or remove or permit any improvements to be removed from the Property, not restrict, rezone, file or modify any development plan or zoning plan or establish or participate in the establishment of any improvement district with respect to all or any portion of the Property, or not further cause or create any easement, encumbrance, or mechanic's or materialmen's liens, and/or similar liens or encumbrances to arise or to be imposed upon the Property or any portion thereof.

10. BROKERS' COMMISSION. The parties warrant to one another that they have not dealt with any finder, broker or realtor in connection with this Agreement and if any person will assert a claim to a finder's fee or brokerage commission on account of alleged employment as a finder or broker in connection with this Agreement the party under whom the finder or broker is claiming will indemnify, defend, protect and hold the other party harmless from and against any such claim and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought on such claim, including, but not limited to, counsel and witness fees and court costs in defending against such claim. The provisions of this Section will survive cancellation of this Agreement or Closing.

11. CLOSING AND CLOSING DELIVERIES.

(a) Closing, which will be deemed the date of the recording of the Deed (defined below) will be no more than thirty (30) days following the expiration or earlier written waiver by Buyer of the Review Period ("**Closing**").

(b) Prior to Closing, Seller will deposit with Escrow Holder the following documents, properly executed and acknowledged: (a) a special warranty deed in a form agreed to by Seller and Buyer ("**Deed**") subject only the Permitted Exceptions; (b) and assignment of the Leases or other contracts approved by Buyer during due diligence in a form agreed to by Seller and Buyer ("**Assignment**"); and (c) written estoppels no earlier than ten (10) days prior to Closing executed by each tenants under a Lease, in a form approved by Buyer, showing no defaults under each Lease by Seller. All contracts not approved by Buyer will be terminated as of Closing. After all of the conditions as set forth in this Agreement have been met, Buyer will, on or prior to Closing, deliver to Title Company the balance of the Purchase Price and an executed Assignment.

(c) Each party will execute additional documents as reasonably required by the Title Company to obtain the Title Policy and complete Closing.

(d) Seller will pay (i) the costs of releasing all liens and other encumbrances that are to be released, (ii) one-half of the fees and costs due Title Company for its services, (iii) the premium for a standard owner's Title Policy; and (v) all other costs to be paid by Seller under this Agreement. Buyer will pay (i) one-half of the fees and costs due Title Company for its services, (ii) the premium and costs for an extended coverage Title Policy and any endorsements as desired by Buyer; and (iii) all other costs to be paid by Buyer under this Agreement. Except as otherwise provided for in this Agreement, Seller and Buyer will each be solely responsible for and bear all of their own respective expenses, including, without limitation, expenses of legal counsel, accountants, and other advisors incurred at any time in connection with pursuing or consummating the transaction contemplated herein.

(e) All real estate taxes, assessments, rents, and profits, will be prorated through Closing.

(f) Closing statements will be adjusted to reflect a transfer of any deposits for the Leases and such amount will be a credit to Buyer. If Buyer receives any Lease payments to which Seller is entitled, it will forward them to the Seller. If Seller receives Lease payments to which Buyer is entitled, it will assign and forward all such payments to Buyer. It will be Seller's responsibility to notify tenants under the Lease of the conveyance of the Property and Buyer's address for payment of rent. This Section will survive the Closing of this transaction.

(g) Any other closing costs not specifically designated as the responsibility of either party or in this Agreement will be paid by Seller and Buyer according to the usual and customary allocation by Title Company.

(h) Seller will deliver exclusive possession of the Property to Buyer at Closing, subject only to the rights of possession under the Leases.

12. ASSIGNMENT. This Agreement may not be assigned by either party without the prior written consent of the other party.

13. REMEDIES. Seller breaches this Agreement, Buyer may: (i) by written notice to Seller and Title Company, cancel this Agreement and the Deposit will be paid immediately by Title Company to Buyer and, except as otherwise provided in this Agreement, neither of the parties will have any further liability or obligation hereunder; or (ii) seek specific performance against Seller, or (iii) seek any other remedies available in law or equity. All remedies are cumulative. If Buyer breaches this Agreement, as its sole remedy Seller will be entitled to retain the Deposit as Seller's agreed and total liquidated damages. Seller agrees and acknowledges that it would be difficult or impossible to determine Seller's exact damages and the liquidated damages are a reasonable estimate of such damages, and Seller hereby waives any right to seek any equitable or legal remedies against Buyer.

14. RISK OF LOSS. If the Property is materially damaged by fire or other cause, or is or will be the subject of a condemnation action, the Buyer may terminate this Agreement in writing and receive a return of the Deposit.

15. ATTORNEYS' FEES. If there is any litigation to enforce any provisions or rights arising from this Agreement, the unsuccessful party in such litigation, as determined by the court, agrees to pay the successful party, as determined by the court, all costs and expenses, including, but not limited to, reasonable attorneys' fees incurred by the successful party, such fees to be determined by the court.

16. NOTICES.

(a) Addresses. Except as otherwise required by law, any notice required or permitted hereunder will be in writing and will be given by personal delivery, or by deposit in the U.S. Mail, certified or registered, return receipt requested, postage prepaid, addressed to the parties at the addresses set forth below, or at such other address as a party may designate in writing pursuant hereto, or by tested electronic means with a confirmation of receipt by the party, or any express or overnight delivery service (e.g., Federal Express), delivery charges prepaid:

if to Seller:

TFOZ, LLC
Attn. Chris Jones
510 2nd Ave S
Twin Falls, Idaho 83301
Tel:
Email:

if to Buyer:

Urban Renewal Agency of the City of Twin Falls
Attn. Travis Rothweiler
203 Main Ave. E
Twin Falls, Idaho 83301
Tel.: (208) 735-7271
Email: trothweiler@tfid.org

(b) Effective Date of Notices. Notice will be deemed to have been given on the date on which notice is delivered, if notice is given by telex, or telecopies, and on the date of deposit in the mail, if mailed or deposited with the overnight carrier, if used. Notice will be deemed to have been received on the date on which the notice is received if notice is given by personal delivery, the date of receipt by email upon confirmation of receipt, and on the second (2nd) day following deposit in the U.S. Mail, if notice is mailed. If escrow has opened, a copy of any notice given to a party will also be given to Title Company by regular U.S. Mail or by any other method provided for herein.

17. GOVERNING LAW/JURISDICTION/VENUE. This Agreement will be governed by and construed or enforced in accordance with the laws of the State of Idaho. In regard to any litigation which may arise in regard to this Agreement, the parties will and do hereby submit to the jurisdiction of and the parties hereby agree that the proper venue will be in the Twin Falls County, Idaho.

18. TIME OF ESSENCE. Time is of the essence of this Agreement. However, if this Agreement requires any act to be done or action to be taken on a date which is a Saturday, Sunday or legal holiday, such act or action will be deemed to have been validly done or taken if done or taken on the next succeeding day which is not a Saturday, Sunday or legal holiday, and the successive periods will be deemed extended accordingly.

19. COUNTERPARTS. This Agreement may be executed electronically and/or in any number of counterparts. Each party may rely upon any facsimile or counterpart copy as if it were one original document.

20. RECITALS AND EXHIBITS. All recitals and Exhibits to this Agreement are fully incorporated herein and made a part hereof.

21. SEVERABILITY. If any provision of this Agreement is unenforceable, the remaining provisions will nevertheless be kept in effect.

22. NO JOINT VENTURE. It is not intended by this Agreement to, and nothing contained in this Agreement will, create any partnership, joint venture or other joint or equity type agreement between Buyer and Seller. No term or provision of this Agreement is intended to be, or will be, for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation will have any right or cause of action hereunder.

23. ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Agreement will be construed as a whole and not strictly for or against any party. This Agreement may only be amended in writing signed by both parties.

24. SELLER'S ACCEPTANCE. If a fully executed Agreement has not been delivered by Seller to Buyer by 5:00 p.m. M.S.T. on or before March 18, 2022, this Agreement will be deemed revoked and null and void.

[End of Text; Signatures Follow]

EXECUTED EFFECTIVE as of the Effective Date.

SELLER:

TFOZ, LLC, an Idaho limited liability company

By: _____

Name: _____

Date: _____

BUYER:

URBAN RENEWAL AGENCY OF THE CITY OF TWIN
FALLS

By: _____
Rudy Ashenbrener, Chair

Date: _____

Exhibit A – Property Legal Description & Approximate Location

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

Lots 10, 11, 12, 13, 14, 15 and 16, Block 132, Twin Falls Townsite, Twin Falls County, Idaho, according to the final and amended plat thereof recorded in Book 1 of Plats, Page 7, records of Twin Falls County, Idaho.

Depiction of approximate location:

