



Twin Falls City Council Agenda

Monday, March 17, 2025, 4:30 PM

*****Special Meeting*****

Council Chambers

203 Main Avenue East, Twin Falls, Idaho

Members: Mayor Ruth Pierce, Vice Mayor Jason Brown, Council Members Craig Hawkins, Spencer Cutler, Christopher Reid, Grayson Stone, Cherie Vollmer

- 1) Call Meeting to Order/Confirmation of Quorum
- 2) Executive Session
 - a) **ACTION ITEM:** Request to adjourn to Executive Session pursuant to Idaho Code § 74-206(1)(c) To acquire an interest in real property not owned by a public agency;(f)To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement.
- 3) Pledge of Allegiance
- 4) Proclamations
 - a) **PRESENTATION:** National Transit Employee Appreciation Day
- 5) Consent Calendar
 - a) **ACTION ITEM:** Request to approve City Council 2025 March 10, Minutes.
By: Amy Luna, Deputy City Clerk
 - b) **ACTION ITEM:** Request to approve Accounts Payable for March 6-12, 2025.
By: Amy Luna, Deputy City Clerk
 - c) **ACTION ITEM:** Request to declare equipment number #4703 surplus and authorize disposal of the asset.
By: Norm Hatke, Fleet Manager
- 6) Items of Consideration
 - a) **PRESENTATION:** A presentation of the City of Twin Falls' 2024 audited financial statements. The Presentation will be made by Scott Hunsaker of Mahlke Hunsaker & Company, PLLC.
By: Parker Scherer, Assistant Finance Director
 - b) **ACTION ITEM:** Request for the Mayor to sign a contract with Cole Architects for the first phase of the design and engineering of a police evidence storage facility.
By: Mandi Thompson, Assistant to the City Manager
 - c) **ACTION ITEM:** Authorize city staff to enter into negotiations with Hazen and Sawyer regarding the Scope of Work for the Canyon Rim Drop Line project.
By: Nathan Erickson, Environmental Manager

- d) **ACTION ITEM:** Request to utilize up to \$1,600,000 of water and wastewater reserves for the Public Works Site Improvement project and authorize the Public Works Director to sign the CM/GC contract with Suburban Construction Management.
By: Erin Steel, Assistant Public Works Director
- e) **ACTION ITEM:** A request to approve a professional services agreement with Steepsteel, LLC to provide the City with cellular tower lease negotiation services.
By: Mitch Humble, Deputy City Manager
- f) **ACTION ITEM:** A request to approve a contract with Core Construction to serve as the City's construction manager/general contractor (CM/GC) for the remodel and addition to the City Pool.
By: Mitch Humble, Deputy City Manager
- g) **ACTION ITEM:** A request to approve the reallocation of \$25,615 from budgeted full-time salaries to purchase the Human Resource module from BS&A Software.
By: Kristen Kohntopp, Human Resources Director
- h) **ACTION ITEM:** A request to approve a contract with Suburban CM to serve as the City's construction manager/general contractor (CM/GC) for the demo and reconstruction of the City Park Restroom.
By: William Klaver, Senior Planner
- i) Presentation of the 2024 Annual Report of the Urban Renewal Agency of the City of Twin Falls.
By: Shawn Barigar, URA Executive Director
- 7) General Public Input
- 8) Advisory Board Report/Announcements
- 9) Public Hearings
- 10) Adjournment

Any person(s) needing special accommodations to participate in the above-noticed meeting could contact Josh Palmer (208) 735-7312 at least two working days before the meeting. Si Desae Esta information in Español, Por favor llama a Josh Palmer al telephone (208) 735-7312.

Public Input Procedures

1. Individuals wishing to provide public input regarding matters relevant to the City of Twin falls shall:
 - a. Wait to be recognized by the Mayor or Chairman.
 - b. Approach the microphone/podium.
 - c. State their name, and whether they are a resident or property owner of the City of Twin Falls and proceed with their input.
2. All public input will be limited to two (2) minutes. Individuals are not permitted to give their time to other speakers.
3. All presenters shall remain respectful.

Public input will not be about any of the items that were on this agenda, personnel, or a personnel-related issue. All issues involving City personnel should be directly communicated with the mayor and/or the City Manager.

Anyone failing to follow these rules will be provided with one (1) warning. Should the speaker continue to disregard these rules after the warning, will have the microphone muted and they will be asked to return to their seats.

Public Hearing Procedures for Zoning Requests

1. Prior to opening the first Public Hearing of the session, the Mayor or Chairman shall review the public hearing procedures.
2. Individuals wishing to testify or speak before the City Council or Planning & Zoning Commission shall wait to be recognized by the Mayor or Chairman, approach the microphone/podium, state their name, and then proceed with their comments. Following their statements, they shall write their name and address on the record sheet(s) provided by the staff. The staff shall make an audio recording of the Public Hearing.
3. A City Staff Report shall summarize the application and history of the request.
4. The Applicant, or the spokesperson for the Applicant, will make a presentation on the application/request (request). No changes to the request may be made by the applicant after the publication of the Notice of Public Hearing. The presentation should include the following:
 - A complete explanation and description of the request.
 - Why the request is being made.
 - Location of the Property.
 - Impacts on the surrounding properties and efforts to mitigate those impacts.
5. Applicant is limited to 15 minutes, unless a written request for additional time is received, at least 72 hours prior to the hearing, and granted by the Mayor or Chairman.
6. The City Council or Planning & Zoning Commission may ask questions of staff or the applicant pertaining to the request.
7. The general public will then be given the opportunity to provide their testimony regarding the request. The Mayor or Chairman may limit public testimony to no less than two (2) minutes per person.
 - Individuals are not permitted to give their time to other speakers.
 - However, five (5) or more individuals that received written notice of the public hearing may appoint, by written petition, a spokesperson. The written petition must be received at least 72 hours prior to the hearing and must be granted by the Mayor or Chairman. The spokesperson shall be limited to 15 minutes.
 - Written comments, including e-mail, received by 12:00 p.m. on the date of the hearing shall be either read into the record or displayed to the public on the overhead projector.
8. Following the Public Testimony, the applicant is permitted five (5) minutes to respond to Public Testimony.
9. Following the Public Testimony and Applicant's response, Council or Commission members, as recognized by the Mayor or Chairman, shall be allowed to question the Applicant, Staff or anyone who has testified. Responses shall be limited to answering the questions asked. The Mayor or Chairman may limit the time permitted for the answer.
10. The Mayor or Chairman shall close the Public Hearing. The City Council or Planning & Zoning Commission shall deliberate on the request. Deliberations and decisions shall be based upon the information and testimony provided during the Public Hearing. Once the Public Hearing is closed, additional testimony from the staff, applicant or public is not allowed. Legal or procedural questions may be directed to the City Attorney.

* Any person not conforming to the above rules may be prohibited from speaking. Persons refusing to comply with such prohibitions may be asked to leave the hearing and, thereafter removed from the room by order of the Mayor or Chairman

*Office of the Mayor of the
City of Twin Falls*

Proclamation

*Recognition of Transit Driver Appreciation Day
March 18, 2025*

WHEREAS: the City of Twin Falls operates the Ride TFT public transit system in accordance with its goals for an accessible community; and

WHEREAS: March 18th has historically been observed as National Transit Employee Appreciation Day by the American Public Transportation Association (APTA) and transit agencies nationwide, to recognize the efforts of transit drivers and staff for their positive impact on their communities; and

WHEREAS: Ride TFT drivers have demonstrated customer service, patience, empathy, and understanding, all to create a welcoming and inclusive environment for community members and visitors, while meeting stringent safety requirements and high demand for transit service.

THEREFORE, I, Ruth Pierce, Mayor of the City of Twin Falls, do hereby proclaim March 18, 2025, to be

Transit Employee Appreciation Day

*In witness whereof we have hereunto set our
hand and caused this seal to be affixed this*

*Ruth Pierce, Mayor
City of Twin Falls*

*Amy Luna
Deputy City Clerk*



Twin Falls City Council Minutes

Monday, March 10, 2025, 4:30 PM

Special Meeting

Council Chambers
203 Main Avenue East, Twin Falls, Idaho

1) Call Meeting to Order/Confirmation of Quorum

Present: Mayor Ruth Pierce, Council Members Craig Hawkins, Christopher Reid, Spencer Cutler, & Grayson Stone, Cherie Vollmer

Staff Present: City Manager Travis Rothweiler, Deputy City Managers Mitch Humble & Gretchen Scott, City Attorney Bruce Castleton, Deputy City Clerk Amy Luna, Administrative Assistant Rachael Long, Building Official Matthew Long, Airport Manager Bill Carberry, Parks and Recreation Director Wendy Davis, Police Captain Matt Hicks, City Engineer Troy Vitek, Desktop Support Analyst Kim Hafer, Deputy Fire Chief Mitchell Brooks, Streets Superintendent Mark Thompson

Mayor Pierce called the meeting to order at 4:30 PM. A quorum was present.

2) Executive Session

MOTION: Council Member Hawkins moved to convene to Executive Session 74206(1)(A) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general.

(F)To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement. **Council Member Reid** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 5 to 0.

a) Request to convene to Executive Session pursuant to Idaho Code § 74-206(1)(A) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general.

b) Request to convene Executive Session pursuant to Idaho Code § 74-206(1)(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement.

3) Pledge of Allegiance

Mayor Pierce invited all present, who wished, to recite the Pledge of Allegiance to the Flag.

4) Proclamations

a) Girl Scouts Week
Mayor Pierce read and presented the Girl Scouts Proclamation.

5) Consent Calendar

MOTION: Council Member Reid moved to approve the Consent Calendar as presented. **Council Member Hawkins** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 7 to 0.

- a) Request to approve City Council 2025 March 03, Minutes.
- b) Request to approve Accounts Payable for February 27 through March 05, 2025.
- c) Request to approve 2024 December Wells Fargo Credit Card Summary.
- d) Request to approve 2025 January Wells Fargo Credit Card Summary.
- e) Request City Council to approve the Special Event Permit for the organizers of the Twin Falls St. Patty's Day Festival.
- f) Request to accept the Improvement Agreement for the purpose of developing **ShadyCreek No. 1 at the Preserve** public infrastructure for a future subdivision.

6) Items of Consideration

- a) Request to Approve a City & County FAA Assignment & Assumption Agreement, Designating the City as Single Sponsor for FAA Grant Programs, and Authorize the Mayor to Sign the Agreement.
Airport Manager Bill Carberry requested to Approve a City & County FAA Assignment & Assumption Agreement, Designate the City as Single Sponsor for FAA Grant Programs, and Authorize the Mayor to Sign the Agreement.

Discussion ensued on the following: None

MOTION: Council Member Reid moved to approve the request to approve a City & County FAA Assignment & Assumption Agreement, Designating the City as Single Sponsor for FAA Grant Programs, and Authorize the Mayor to Sign the Agreement. **Vice Mayor Brown** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 7 to 0.

- b) Request to Approve a City & County Assignment & Assumption Agreement, Designating the City as Single Lessor for Airport Lease Properties, and Authorize the Mayor to Sign the Agreement.
Airport Manager, Bill Carberry, requested to Approve a City & County Assignment & Assumption Agreement, Designate the City as Single Lessor for Airport Lease Properties, and Authorize the Mayor to Sign the Agreement.

Discussion ensued on the following: None

MOTION: Council Member Reid moved to approve the request to Approve a City & County Assignment & Assumption Agreement, Designating the City as Single Lessor for Airport Lease Properties, and Authorize the Mayor to Sign the Agreement. **Vice Mayor Brown** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 7 to 0.

- c) The Twin Falls School District is requesting a fee waiver for the plan review and permit fees for the HVAC upgrade and interior remodel to the Harrison Elementary School.
Building Official, Matthew Long, requested a fee waiver for the plan review and permit fees for the HVAC upgrade and interior remodel to the Harrison Elementary School, for the Twin Falls School district.

Discussion ensued on the following:

Mayor Pierce asked if communication had happened with school about the 10% held back.

Reid asked if we have ever added 10% to any school and why are we?

MOTION: Council Member Reid moved to approve the request for a fee waiver for the plan review and permit fees for the HVAC upgrade and interior remodel to the Harrison Elementary School, for the Twin Falls School district. **Vice Mayor Brown** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 7 to 0.

- d) The Twin Falls School District is requesting a fee waiver for the plan review and permit fees for the HVAC upgrade and interior remodel to the Morningside Elementary School.
Building Official Matthew Long requested a fee waiver for the plan review and permit fees for the HVAC upgrade and interior remodel to the Morningside Elementary School for the Twin Falls School District.

Discussion ensued on the following: None

MOTION: Vice Mayor Brown moved to approve the request for a fee waiver for the plan review and permit fees for the HVAC upgrade and interior remodel to the Morningside Elementary School for the Twin Falls School District. **Council Member Vollmer** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 7 to 0.

- e) Request to allocate \$31,455.00 from contingency to permit the Building Safety Department to scan archived plans.
Building Official Matthew Long requested to allocate \$31,455.00 from contingency to permit the Building Safety Department to scan archived plans.

Discussion ensued on the following:

Council Member Vollmer asked how far back we have plans for?

MOTION: Council Member Hawkins moved to approve the request to allocate \$31,455.00 from contingency to permit the Building Safety Department to scan archived plans. **Council Member Vollmer** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 7 to 0

- f) Request for Council to authorize the use of \$1.5 million of reserve funds to complete the 2025 Chip Seal: Zone 5 roadway maintenance project.
City Engineer Troy Vitek requested the Council to authorize the use of \$1.5 million of reserve funds to complete the 2025 Chip Seal: Zone 5 roadway maintenance project.

Discussion ensued on the following:

Mayor Pierce asked Troy to let them know the map zone area.

Reid asked how confident we would be at getting contractors to bid.

MOTION: Vice Mayor Brown moved to approve the request by the Council to authorize the use of \$1.5 million of reserve funds to complete the 2025 Chip Seal: Zone 5 roadway maintenance project. **Council Member Vollmer** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 7 to 0.

- g) Request consideration to allow attached sidewalk for Addison Ave E, Juniper St to Morningside Dr, roadway widening and reconstruction design.
City Engineer Troy Vitek requested consideration allowing attached sidewalks for Addison Ave E, Juniper St to Morningside Dr, roadway widening and reconstruction design.

Discussion ensued on the following: None

MOTION: Vice Mayor Brown moved to approve the request for consideration, allowing an attached sidewalk for Addison Ave E, Juniper St to Morningside Dr, roadway widening and reconstruction design. **Council Member Reid** seconded the motion. The roll call vote showed all members present voted in favor of the motion, 7 to 0.

- h) Presentation from the Public Art Commission on the completed Electrical Wrap and Downtown Commons Mural Projects.
Parks and Recreation Director Wendy Davis presented for the Public Art Commission the completed Electrical Wrap and Downtown Commons Mural Projects.

Mayor Pierce thanked Wendy Davis for their presentation.

Council Member Hawkins thanked the Commission for all the hard work.

7) General Public Input

Frances Hamm came to the city council about a contractor that came and spilled a bunch of oil on his roadway about TDS Fiber. Mayor Pierce told him that she would like him to email her, and she would get him better contact information. City Manager Travis Rothweiler said he will reach out to his contacts and get them to work something out to get this situation fixed.

8) Advisory Board Report/Announcements

Craig Hawkins talked about Find Help Idaho and all that the website offers for the homeless and different organizations.

Mitch Humble let the Council know we were canceling the 24th meeting.

9) Adjournment

The meeting adjourned at 05:54 PM

Rachael Long, Administrative Assistant

****If you wish to have a full accounting of this meeting, please listen to the recording that is located on our website. **** [Tfid.org](https://www.tfid.org)



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: Parker Scherer, Assistant Finance Director

PRESENTATION

Request:

A presentation of the City of Twin Falls' 2024 audited financial statements. The Presentation will be made by Scott Hunsaker of Mahlke Hunsaker & Company, PLLC.

Time Estimate:

Background:

Approval Process:

Budget Impact:

Regulatory Impact:

History:

Analysis:

Conclusion:

Attachments:

1. 2024 City of Twin Falls Financial Statements

CITY OF TWIN FALLS IDAHO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED: **2024**
SEPTEMBER 30



City of Twin Falls, Idaho



**Annual Comprehensive Financial Report
For the Fiscal Year
Ended September 30, 2024**

Prepared by the Finance Department

CITY OF TWIN FALLS, IDAHO

Financial Statements

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CITY OF TWIN FALLS, IDAHO

Financial Statements

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INTRODUCTORY SECTION



P.O. Box 1907

203 Main Ave. E

Twin Falls, Idaho 83303-1907

Fax: (208) 736-2296

March 7, 2025

Mayor Ruth Pierce, City Council,
and Citizens of the City of Twin Falls, Idaho

The Finance Department is pleased to submit the Annual Comprehensive Financial Report of the City of Twin Falls, Idaho (the City) for the fiscal year ended September 30, 2024. The report has been subject to an independent audit.

This report is published to provide the City Council, City staff, our citizens, and other readers with detailed information concerning the financial position and activities of the City. City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

CITY PROFILE

The City of Twin Falls is located in south-central Idaho along the scenic Snake River canyon. With a population of approximately 56,000 residents, Twin Falls is the eighth largest city in Idaho and encompasses 18.16 square miles. It is in Twin Falls County, which covers approximately 1,928 square miles of mostly irrigated agriculture land and has a total population of 96,491. Twin Falls is located 135 miles east of Boise and 218 miles north of Salt Lake City. Twin Falls is the urban center of the Magic Valley, which consists of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls, and Elko (Nevada) counties. The City serves as the retail, educational, medical and employment center for this nine-county area that has a total population of over 275,000. As a result, the daytime population in Twin Falls swells to over 110,000 people each day.

Twin Falls began as an agricultural center thanks to the foresight of entrepreneur I.B. Perrine in the early 1900s. Perrine convinced private financiers to build a dam along the Snake River with a corresponding canal system to deliver water to the fertile Snake River Plain. Because of these investments at the beginning of the 20th century, Twin Falls and the Magic Valley have grown into one of the world's most productive farming regions and a hub for food and dairy manufacturing.

Idaho statutes are the basic governing law under which the City operates. Twin Falls conducts its business with a City Council/City Manager form of government. Twin Falls is one of only two Idaho cities which has this form of government. Seven City Council members are elected, at-large, to four-year terms. They serve on a part-time basis. The council members act as legislators and administrators, and are responsible for enacting and enforcing City laws and approving the annual budget. The City Council has secured the services of a City Manager who works full time implementing the direction of the Council.

The City provides the following services to its citizens:

- Planning and community development: building plan reviews, building inspections, and economic development
- Public safety: police, fire, and rescue, emergency communications and emergency management
- Public transportation
- Street improvements and street maintenance
- Support services: Information systems, communications, facilities, financial, fleet, human resources, information, and risk management
- Parks, recreational and cultural services
- Airport
- Utilities: water, sewer, and sanitation
- Other operations: refuse disposal and environmental remediation

REPORTING ENTITY

This report includes all funds of the City including those organizations required to be included because the City is financially accountable for them.

The Urban Renewal Agency of Twin Falls, Idaho (URA) is an organization with which the City has a special relationship. This organization is required to have separate financial audits conducted by external certified public accountants. However, the City can exert a certain degree of control over the organization's governance by appointing individuals to the URA's board of directors. That control feature requires that the URA's activities be included in this report as well. The information of the URA that is presented has been condensed from the separate financial report of the Agency.

ECONOMIC CONDITIONS AND OUTLOOK

A. Recent economic performance

The City of Twin Falls diligently monitors and analyzes economic indicators at the international, national, state, and local levels to inform its annual budgetary decisions. Over the past several years, while economic conditions have generally shown growth and prosperity, they have also been marked by significant labor and supply chain shortages. This duality of economic expansion and persistent uncertainties—primarily driven by inflation, labor market constraints, and supply chain disruptions—continues to shape and challenge the city's budgetary planning and fiscal strategies for the foreseeable future.

Inflation has slowed down recently, but it remains above the Fed's 2% target. With inflation currently at 2.4%, the Federal Reserve has messaged that there is no urgency to lower interest rates. The Municipal Cost Index (MCI) represents the effects of inflation on the cost of providing municipal services. It shows that municipalities are faring better than the public sector, with a current rate better than nationally measured inflation. The MCI sits at .76%. It has come down from an all-time high of 12.51% in April 2022. The dramatic increase in the Federal Reserve's benchmark funds rate, to offset inflation, created the highest interest rate hike in almost three decades and had a direct impact on the Country which has reduced investments, lowered economic growth, and an increased cost of borrowing.

Nationwide unemployment rates have gradually started to stabilize years after the pandemic, settling at 4.1% in September 2024. Like the rest of the nation, unemployment levels are at historic lows in Idaho. Statewide unemployment was 3.6% in September 2024. That falls slightly below the City of Twin Falls unemployment rate which was 3.8% at the end of the fiscal year. The low unemployment rate shows the State's struggle to employ workers.

B. Outlook and Long-Term Planning

Twin Falls continues to foster a strong industrial and commercial base, healthy reserve funds, local government innovation, and excellent community amenities. Serving as the retail, educational, entertainment, medical and employment hub of a geographic area that contains nearly 275,000 individuals, our future, highlighted by major capital improvement projects, several promising businesses, retail providers, and housing developments, is bright. We remain optimistic about the long-term health of our local economy.

To meet the increased demand for goods, products, and services, more human talent is essential. The City of Twin Falls must position itself as an employer of choice, adapting to the changing labor market beyond just offering competitive pay and benefits. Globally, the workforce is undergoing a radical shift, with a growing divide between the technical and digital skills required for modern positions and the availability of workers possessing those skills. Talent retention is crucial to organizational health, as the loss of talent can erode internal relationships, external partnerships, institutional knowledge, and can lead to burnout among remaining staff.

The City of Twin Falls is looking at several strategies designed to address labor shortages and retain its talented public servants.

C. Major initiatives

The City has committed, through the budgeting process, to improvements in its infrastructure and to the City's compensation levels and health insurance plans. These topics are discussed more fully in sections of the Management Discussion and Analysis as well as the City's approved budget report on the City's website (tfid.org).

The City recently finished construction of two new fire stations. The new fire stations are replacing older stations that were constructed in the 60's and 70's. They feature drive-thru bays and enough space to store and protect all the fire apparatus inside, instead of outside, exposed to the elements. The stations also include the latest designs and amenities to protect firefighters from being exposed to toxic chemicals and compounds, which pose a greater threat than the blazes themselves. People were not aware of these dangers when they constructed the earlier facilities. This construction was an outgrowth of recommendations from a citizen's committee formed in 2017. The committee worked together to document the inadequacies of the existing buildings, noting outdated technology, living standards, decay, mold, leaking roofs, violations of life safety codes, exposure to carcinogens, and inefficiencies.

The City is also overseeing construction of a regional fire training center. Land and some initial design costs are being funded by the City, but most of the funding is being provided by the Twin Falls Rural Fire Protection District. Many nearby communities will benefit from using the fire training facility along with the City.

The City of Twin Falls is continuing its commitment to Priority Based Budgeting. The City is a lean and innovative organization that is efficient in the delivery of services, and our employees take pride in their work as public servants. Changes in service demands, overburdened employees, and limited resources are factors that can lead to frustration within the organization. Priority Based Budgeting should provide our organization with a framework that will help us share our story, align needs with resources, and highlight areas where changes can be made with maximum impact. It will allow each department to examine programs and services through the lens of pre-established metrics such as outside revenue sources, mandates from other governmental entities, and the degree to which programs affect the citizens in our community. The goal is not to eliminate programs simply as a cost saving measure, but to evaluate service demands and needs against resources and ability to provide services. Through this process, departments can view their budgets as programs instead of line items, and in doing so, will build a robust performance measurement program with the data generated.

FINANCIAL INFORMATION

A. Accounting system

The City's accounting system supports an appropriate internal control structure. This structure helps to safeguard the City's assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure provides reasonable, but not absolute, assurance that the City's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits requires estimates and judgments by management.

B. Budgetary Control

The City separates its activities and responsibilities into separate accounting entities called "Funds". Each fund is a self-balancing set of accounts, recording cash and other financial resources, related liabilities, residual equities or fund balances, and annual changes in each. The City Manager recommends a budget for all governmental funds, and the City Council serves as the "Budget Committee" in appropriating the recommended expenditures for each fund. Public notice is given for all budget meetings. Citizens are involved in the budget process through forums and public hearings. The City Council is required, by Idaho State law, to adopt a budget prior to September 30, the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The Council, with the help of City staff, monitors the budget during the fiscal year to address any changing financial needs and conditions. No fund can overspend its budget without the approval of the City Council.

The Government Finance Officers Association of the United States and Canada (GFOA) is a non-profit professional association serving approximately 20,000 government finance professionals. The GFOA has awarded a Distinguished Budget Presentation Award to the City for the way it presented its budget for the fiscal year ending September 30, 2023, and for the nine previous years. To receive the award, the City must publish an easily readable and efficiently organized budget report, whose contents conform to program standards. The Award is valid for a period of one year only. Our current budget report continues to conform to professional requirements and the GFOA's best practices.

C. Financial Reporting and Policies

The GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Twin Falls for its annual comprehensive financial report for the fiscal year ended September 30, 2023. This was the ninth consecutive year that the City

government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

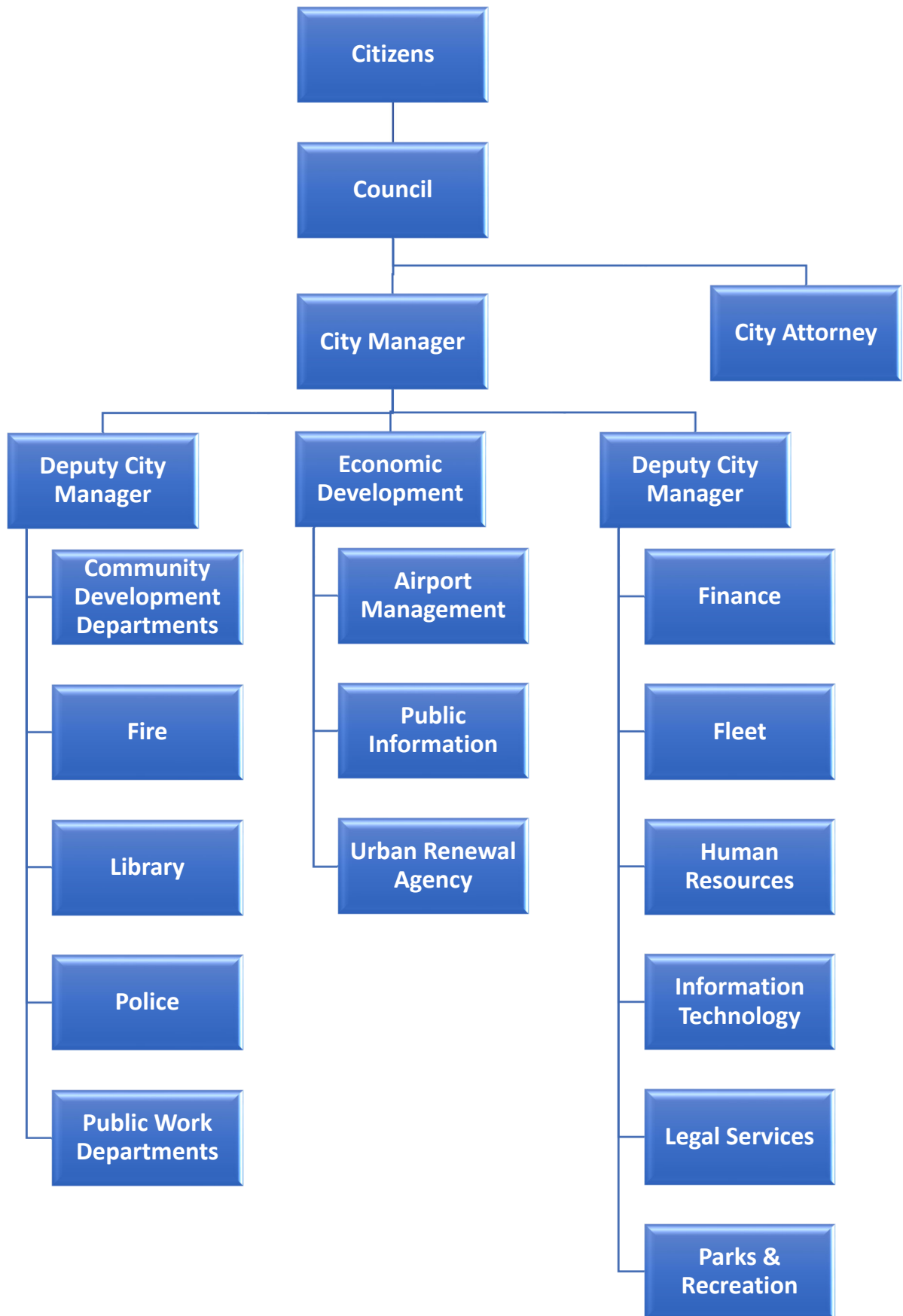
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The City follows entity-wide financial policies in the budget development process, including long-term financial policies in areas such as budget and planning, investments, and fund balances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Breanna Howard", with a stylized flourish at the end.

Breanna Howard
Finance Director



City of Twin Falls, Idaho
Names of the Principal City Officials As of
February 2025

<u>Name</u>	<u>Position – Title</u>	<u>Email</u>
Ruth Pierce	Mayor	rpierce@tfid.org
Jason Brown	Vice-Mayor	jbrown@tfid.org
Cherie Vollmer	City Councilwoman	cvollmer@tfid.org
Grayson Stone	City Councilman	gstone@tfid.org
Craig Hawkins	City Councilman	chawkins@tfid.org
Chris Reid	City Councilman	creid@tfid.org
Spencer Cutler	City Councilman	scutler@tfid.org
Travis Rothweiler	City Manager	trothweiler@tfid.org
Mitch Humble	Deputy City Manager,	mhumble@tfid.org
Gretchen Scott	Deputy City Manager	gscott@tfid.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Twin Falls
Idaho**

For the Fiscal Year Beginning

October 01, 2023

Christopher P. Morill

Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Twin Falls
Idaho**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Mahlke Hunsaker & Company PLLC

C e r t i f i e d P u b l i c A c c o u n t a n t s

INDEPENDENT AUDITORS' REPORT

City Council
City of Twin Falls, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Twin Falls, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Twin Falls, Idaho's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Twin Falls, Idaho, as of September 30, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Twin Falls, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Twin Falls, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Twin Falls, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Twin Falls, Idaho's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary and prior year comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Twin Falls, Idaho's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2025, on our consideration 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 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 City of Twin Falls, Idaho's internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & CO., PLLC
Twin Falls, Idaho
February 21, 2025



City of Twin Falls, Idaho

Management's Discussion and Analysis

We, as management of the City of Twin Falls, offer this narrative overview and analysis of the financial activities of the City of Twin Falls for the fiscal year ended September 30, 2024, to accompany the City's financial statements for the same period. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements. Numbers have been rounded.

Financial Highlight

On a government wide basis, the City's net unrestricted position experienced an increase of \$200,000. That net total comprises an increase of \$500,000 originating from governmental activities and a decrease of \$300,000 from business-type activities (primarily water, wastewater, and sanitation). Business-type activities result in heavy requirements for capital needs and infrastructure; these needs are met with current revenues, out of reserves, or borrowing. Healthy performing business-type activities are necessary for future growth and development, and to fund current debt obligations.

Overview of the Financial Statements

The discussion and analysis provided here should serve as an introduction to the City of Twin Falls' basic financial statements. Those statements comprise three components: 1) government-wide statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* provide readers with a broad overview of the City of Twin Falls' finances, in a manner like a private-sector business. The *statement of net position* presents financial information regarding all the City of Twin Falls' assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Twin Falls is improving or deteriorating.

The *statement of activities* presents information showing how the City of Twin Falls' net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City of Twin Falls that are principally supported by taxes and intergovernmental revenues (governmental activities) or other functions that should recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Twin Falls include general government, public safety, highways and streets, sanitation, airport, and culture and recreation. Business-type activities of the City of Twin Falls include water, wastewater, and sanitation.

The government-wide financial statements also separately detail the financial position and activities of a legally independent urban renewal agency.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements. A fund represents a grouping of related accounts that individuals use to maintain control over resources that they have segregated for specific activities or objectives. The City of Twin Falls, like other state and local governments, uses fund accounting to ensure and illustrate compliance with finance-related legal requirements. The City of Twin Falls divides all its funds into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Twin Falls maintains fourteen individual governmental funds. The City of Twin Falls presents information separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, street fund, airport fund, capital improvement fund, and airport construction fund. These funds are major funds. We aggregate data from nine other smaller funds into a single presentation. Individual fund data for each of these nonmajor governmental funds is provided as combining statements in the combining and individual fund statements and schedules section of this report.

You can find the basic governmental fund financial statements on pages 21-23 of this report.

The City of Twin Falls maintains two types of proprietary funds, namely enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements and are labeled as such in the fund statements. The City of Twin Falls uses enterprise funds to account for the utility services it provides, specifically water, wastewater, and sanitation. Internal service funds are another type of proprietary funds used by the City. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Twin Falls' various functions. The City of Twin Falls uses internal service funds to account for the management of its risks and insurance and for the maintenance of its fleet of vehicles and heavy equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included in governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, wastewater, and sanitation functions, which are also major funds of the City. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund's financial statements. Individual fund data for the internal service funds are provided as combining statements in the combining and individual fund statements and schedules section of this report. The City maintains two other smaller enterprise funds that are also contained in the supplemental information of the financial statements.

The proprietary fund financial statements for the three major funds can be found on pages 25-27 of this report.

There is a third type of fund often used with fund accounting: *Fiduciary Funds*. Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government. The government does not report fiduciary funds in the government-wide financial statements because the resources of those funds are not available to support the government's own programs. The accounting for fiduciary funds closely resembles that of proprietary funds. Currently, Twin Falls has no fiduciary funds.

Notes to the Financial Statements. The *Notes to the Financial Statements* provide additional information that is necessary to gain a full understanding of the data provided in the government-wide and fund financial statements. You can find the notes to the financial statements on pages 29-62 of this report.

Besides the basic financial statements and accompanying notes, this report also presents *other supplementary information*, some of which is required, concerning the City of Twin Falls and *statistical information* and information on the activity of the City's federal grant activity.

Financial Analysis of the City as a Whole

Analysis of Condensed Statement of Net Position

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity.

The City reports liabilities with average maturities greater than one year in two components - the amount due within one year and the amount due over one year. The City's net position is determined by the difference between its assets and liabilities.

Fortunately, the City has operated incurring no general obligation bonds. The City has, however, entered into three leases, including two for fire apparatus and one for construction of a fire station. The fire station lease takes the form of certificates of participation. Those leases are being presented as financing debt with balances of \$450,000, \$980,000, and \$7,900,000 respectively. Compensated absences are the only other long-term debt currently in the governmental activities. They constitute an obligation of the City in the amount of \$2,700,000. That obligation represents unused vacation pay employees have earned and not used, as well as overtime hours for which the employee has chosen to defer payment to a future period. Upon retirement or resignation, the company compensates employees for any remaining balance. As the City has grown, the number of employees has also increased. That and compensation increases have caused a natural increase in the balance of compensated absences being reported as a liability. However, as long-standing employees retire, with the City paying out their disproportionately higher balances mitigates the increase a little. Employees are constantly using and replenishing their compensated absence balances. Most balances will be used in the upcoming year and have been reflected as a current liability, even though those balances will be replenished with new replacement hours.

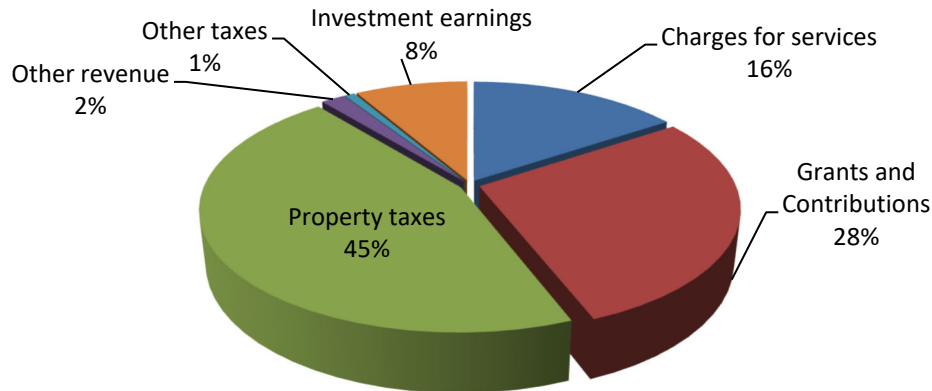
The City's other existing debt comprises revenue bonds. The revenue bonds are more fully discussed with the analysis of the Proprietary Funds.

In its mission to provide citizens of the City with the services and protections they require, the City maintains a substantial investment in streets, water systems, waste treatment and disposal structures, offices, a pool of vehicles, and general and heavy equipment. All those capital assets have a definitive useful life and are subject to depreciation, or a decrease in value. One way to quantify the average capital replacement needs of the City is through this depreciation. During the current year, depreciation was estimated to be \$11,400,000 for the government funds and \$6,000,000 for the business-type activities. Using the City's current depreciation amounts, the City would need to average \$17,400,000 in capital acquisitions each year to maintain its present level of services. The City will continue to maintain a balance with its budgeting efforts to assure that this investment in capital assets is appropriately maintained at a level which will allow the City to provide needed services and still assure that those needs are met affordably. More detailed information on capital assets can be found in the notes to the financial statements under the caption "Capital Assets".

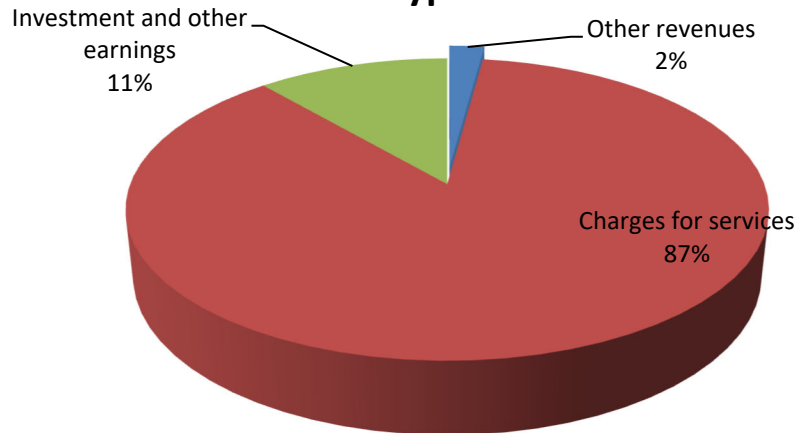
The table below presents the City's Condensed Statement of Net Position as of September 30, 2023, and 2024, which is derived from the government-wide Statement of Net Position. The assets of the City exceeded its liabilities (net position) at the close of the year by \$209,700,000 for governmental activities and by \$153,800,000 for business-type activities, for a combined total of \$363,500,000 for the primary government. Governmental Activities net position increased by \$4,900,000 from 2023 to 2024, while the net position for business-type activities increased by \$4,800,000 during the same period. The three components of net position include net investment in capital assets, restricted, and unrestricted. The largest component of net position, totaling \$264,300,000 at the 2024 year-end, is the investment in capital assets, which includes all the sewer and water lines and roads of the City. The City uses these capital assets to provide services to the citizens and businesses in the City; these net assets are not available for future spending. Restricted assets totaling \$14,400,000 represent resources that are subject to external restrictions and other provisions on how they can be used. These restricted assets are in the general fund and represent amounts collected by the City and are custodial and dedicated for specific purposes. The remaining balance of \$84,800,000 is unrestricted and available to meet the ongoing obligations of the City to its citizens and creditors.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$ 75,298,884	\$ 90,858,070	\$ 47,612,359	\$ 53,218,409	\$ 122,911,243	\$ 144,076,479
Capital assets	159,304,515	160,234,549	137,512,121	139,177,272	296,816,636	299,411,821
Total assets	234,603,399	251,092,619	185,124,480	192,395,681	419,727,879	443,488,300
Deferred Outflow of Resources	8,956,210	4,913,903	789,464	379,963	9,745,674	5,293,866
Current and other liabilities	(28,501,817)	(36,454,233)	(6,368,973)	(11,898,245)	(34,870,790)	(48,352,478)
Bonds and Lease	(10,223,244)	(9,785,024)	(30,598,345)	(27,125,831)	(40,821,589)	(36,910,855)
Total liabilities	(38,725,061)	(46,239,257)	(36,967,318)	(39,024,076)	(75,692,379)	(85,263,333)
Deferred Inflow of Resources	(46,708)	(37,916)	(4,300)	(3,401)	(51,008)	(41,317)
Net position:						
Investment in capital assets	149,081,271	152,296,140	106,913,776	112,051,441	255,995,047	264,347,581
Restricted	13,151,527	14,360,162	-	-	13,151,527	14,360,162
Unrestricted	42,555,043	43,073,048	42,028,550	41,696,726	84,583,593	84,769,774
Total net position	\$ 204,787,841	\$ 209,729,350	\$ 148,942,326	\$ 153,748,167	\$ 353,730,167	\$ 363,477,517

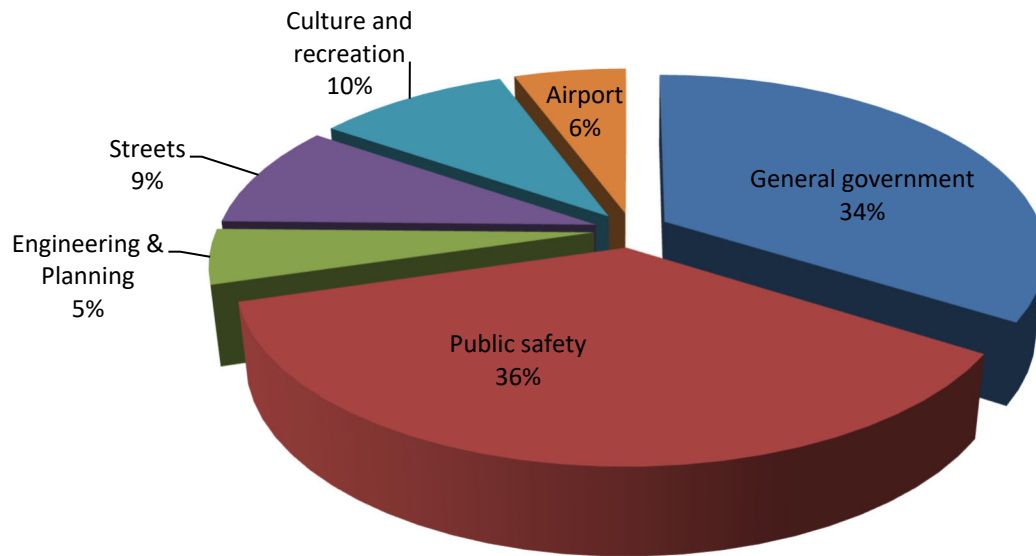
Sources of General Revenue for FY 2024 Governmental Activities



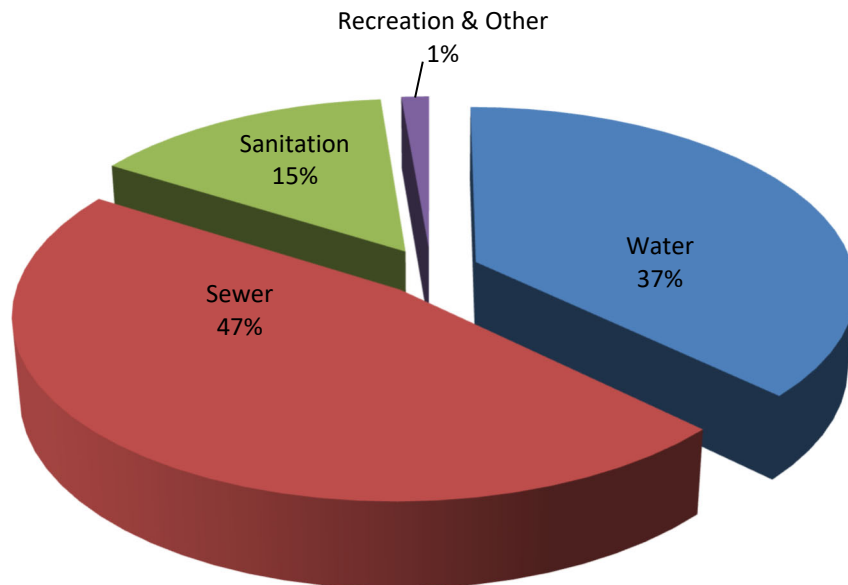
Sources of Revenue for FY 2024 Business-type Activities



Program Expenses for FY 2024 Governmental Activities



Program Expenses for FY 2024 Business-type Activities



Analysis of Condensed Statement of Activities

The following table presents the City's condensed statement of activities for the fiscal year 2022-23 and fiscal year 2023-24. It is derived from the government-wide Statement of Activities. Over time, increases and decreases in net position measure whether the City's financial position is improving or deteriorating.

Condensed Statement of Activities For the Fiscal Year Ended September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2024	2023	2024	2023	2024
Program revenues						
Charges for services	\$ 7,522,657	\$ 10,305,224	\$ 29,685,642	\$ 28,151,119	\$ 37,208,299	\$ 38,456,343
Grants and contributions						
Operating	21,296,809	14,348,386	158,755	91,220	21,455,564	14,439,606
Capital	3,091,748	4,340,798	-	-	3,091,748	4,340,798
Total program revenue	31,911,214	28,994,408	29,844,397	28,242,339	61,755,611	57,236,747
General revenues and payments						
Property taxes	27,302,364	29,603,952	-	-	27,302,364	29,603,952
Other taxes	480,255	506,717	-	-	480,255	506,717
Investment earnings (Loss)	862,606	5,514,284	485,641	3,692,344	1,348,247	9,206,628
Other revenues	792,835	1,185,332	283,576	683,046	1,076,411	1,868,378
Total general revenues and payments	29,438,060	36,810,285	769,217	4,375,390	30,207,277	41,185,675
Total general revenues and payments	61,349,274	65,804,693	30,613,614	32,617,729	91,962,888	98,422,422
Program expenses						
General government	17,585,202	21,461,532	-	-	17,585,202	21,461,532
Public safety	21,516,743	23,027,124	-	-	21,516,743	23,027,124
Streets, Engineering, P&Z	8,154,469	8,971,745	-	-	8,154,469	8,971,745
Culture and recreation	6,196,170	6,153,610	-	-	6,196,170	6,153,610
Airport	2,649,057	3,575,164	-	-	2,649,057	3,575,164
Water	-	-	9,280,724	9,470,549	9,280,724	9,470,549
Sewer	-	-	10,680,918	11,915,748	10,680,918	11,915,748
Sanitation	-	-	3,571,360	3,756,939	3,571,360	3,756,939
Recreation enterprises	-	-	334,029	279,702	334,029	279,702
Other	-	-	59,409	62,959	59,409	62,959
Total program expenses	56,101,641	63,189,175	23,926,440	25,485,897	80,028,081	88,675,072
Excess (deficiency) before gain (loss) and transfers	5,247,633	2,615,518	6,687,174	7,131,832	11,934,807	9,747,350
Transfers	2,152,419	2,325,991	(2,152,419)	(2,325,991)	-	-
Asset Sales & Contributions	-	-	-	-	-	-
Change in net position	7,400,052	4,941,509	4,534,755	4,805,841	11,934,807	9,747,350
Beginning net position	197,387,789	204,787,841	144,407,571	148,942,326	341,795,360	353,730,167
Ending net position	\$ 204,787,841	\$ 209,729,350	\$ 148,942,326	\$ 153,748,167	\$ 353,730,167	\$ 363,477,517

Governmental Revenues

The City is heavily reliant on property taxes to support governmental operations, with that support currently at 45% of funding. Other sources of general revenues are mainly grants and contributions (28%) charges for services (16%) and investment earnings (8%). Other sources of revenue, around 3%, include other taxes and revenues.

Program Expenses and Revenue for Governmental Activities

The following table presents the net costs for governmental activities. Two programs had substantial shifts; the cost of general government and streets. The general government went from having a net surplus of \$800,000 in 2023 to having a net cost of \$9,000,000 in the current year. The primary difference between the years was the recognition last year of a

federal grant, Coronavirus State and Local Fiscal Recovery Funds (SLFRF) of \$8,500,000. Otherwise, the net program cost for the general government would be very consistent.

Shared revenues also played a major role in swinging net program costs of the streets department. The net streets department costs went from a net surplus of \$1,300,000 in 2023 to a net surplus of \$2,700,000 in the current year. The streets department received a substantial increase in highway user revenue of about \$1,500,000 totaling \$4,500,000 in the current year. Highway user revenues are distributions received from the State of Idaho for taxes charged on items such as fuel and vehicle licensing.

Net Cost of Governmental Activities

For the Fiscal Year Ended September 30

Functions/Programs	Program Expenses	Less Program Revenues	Net Program Costs		Program Revenues as a Percentage of Program Expenses	
	2024	2024	2024	2023	2024	2023
General government	\$ 21,461,532	\$ 12,438,591	\$ 9,022,941	\$ (774,372)	58.0%	104.4%
Fire	7,292,982	652,203	6,640,779	5,981,928	8.9%	9.5%
Police	15,734,142	1,175,085	14,559,057	13,853,947	7.5%	7.1%
Engineering & planning	3,106,535	1,835,840	1,270,695	1,512,669	59.1%	44.6%
Library	2,507,472	65,705	2,441,767	2,144,998	2.6%	3.4%
Culture & recreation	3,646,138	1,237,919	2,408,219	2,942,538	34.0%	26.0%
Highways & streets	5,865,210	8,611,826	(2,746,616)	(1,335,779)	146.8%	124.6%
Airport	3,575,164	2,977,239	597,925	(135,502)	83.3%	105.1%
Totals	\$ 63,189,175	\$ 28,994,408	\$ 34,194,767	\$ 24,190,427	45.9%	56.9%

Program Expenses and Revenue for Business-type Activities

The following table presents net income and costs for business-type activities. Sound management principles of a municipality require that these activities not only cover operational costs but also generate profits that can be used as a resource for debt funding and capital improvements.

Overall, the net program costs for City water and sanitation services remained relatively unchanged. However, the program revenues related to wastewater have significantly decreased during the year. This decrease in revenues is due to an upgrade by Chobani to their pretreatment plant. These upgrades have created less usage on the City's treatment plant and therefore represent a decrease in revenues charged. An overview of the Enterprise funds follows:

Functions/Programs	Program Revenues	Less Program Expenses	Net Program Income (Costs)		Program Expenses as a Percentage of Program Revenues	
	2024	2024	2024	2023	2024	2023
Water	\$ 12,898,342	\$ 9,470,549	\$ 3,427,793	\$ 3,022,779	73.4%	75.4%
Sewer	10,663,660	11,915,748	(1,252,088)	2,297,748	111.7%	82.3%
Sanitation	4,067,348	3,756,939	310,409	391,698	92.4%	90.1%
Dierkes Lk/Shoshone Falls	537,177	279,702	257,475	190,374	52.1%	63.7%
Common Area Maintenance	75,812	62,959	12,853	15,358	83.0%	79.5%
Totals	\$ 28,242,339	\$ 25,485,897	\$ 2,756,442	\$ 5,917,957	90.2%	80.2%

Fund Analysis

Governmental Funds

The focus of the City of Twin Falls' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Twin Falls' financing requirements.

Fund balances that are not restricted or committed may serve as a useful measure of a government's net resources available for discretionary use, as they represent the portion of fund balance, which has not yet been limited. On September 30, 2024, the City of Twin Falls' governmental funds reported combined fund balances of \$65,000,000, with \$45,500,000 representing the portion that was not restricted or committed. That is a decrease in the balance that is not restricted or committed of \$3,600,000 in comparison with the prior year.

General Fund

The general fund is the chief operating fund of the City. The City's general fund reported an ending fund balance of \$12,500,000 on September 30, 2024, with most of that fund balance being available. That balance compares to an ending fund balance of \$9,700,000 on September 30, 2023. The General fund experienced relatively small variances from its budget. One exception was the increase in licenses and permits revenue. The City experienced an unexpected strong growth in permits. The positive variance largely related to a saving in salaries, with the department not being able to staff at the levels it had hoped to.

The City of Twin Falls has a policy of maintaining a reserve balance in the General Fund of 25% of the annual budgeted base revenues to provide reasonable assurance that the City will pay all general obligations and meet unforeseen emergencies. At the end of each fiscal year, after completing the annual audit, the City will transfer the amount above that 25%, reduced by any deficit fund balances in other City Funds, to the City's Capital Improvement Fund. The transferred amount will be available for one-time projects recommended by the City Manager and approved by City Council. That transfer in the current year under the policy contributed to the reduction in the General Fund balance in the amount of \$875,000.

Street Fund

The City receives a substantial amount of revenue from the State of Idaho which is dedicated to highway and street maintenance and operations. Those revenues come from taxes collected on fuel sales. The Street fund ensures that the funds are used solely for the benefit of the City's streets. Along with these dedicated taxes, the City budgets to supplement the fuel taxes with other State shared revenues, property taxes, and grants to meet the needs of the City's roads.

The Street Fund's fund balance increased from \$9,800,000 to \$15,200,000. Street re-surfacing can be large overlay projects that require millions of dollars and last for several years. The City endeavors to plan the timing of these projects so that the funds are available within the fund balance when needed. The fund balance at the end of any year also includes long-term construction projects that are at various stages of completion.

Over the years, the City has developed a street maintenance program by dividing the City up into eight geographical areas and rotating a maintenance program to each area over an eight-year time frame. That has allowed the City to budget more consistently for maintenance expenditures, and has increased efficiency.

Airport and Airport Construction Funds

The City has identified the Airport and Airport Construction Funds as major funds. The Airport Fund saw a consistent fund balance between the prior fiscal year and this fiscal year. However, the Airport Construction Fund experienced a decrease in fund balance by \$800,000 from last fiscal year to this fiscal year. This change is due to major construction projects that are ongoing. The City has a joint operation agreement with Twin Falls County for the Airport operations. Both contribute 50% of the funding that is needed beyond other sources of operational revenue.

The National Plan of Integrated Airport Systems (NPIAS) includes the City's as part of the national plan. That means that the Airport has been identified as having significance to national transportation within the United States, making it eligible to receive federal grants under the Airport Improvement Program (AIP). Isolating federal AIP funding grants within the Airport Construction Fund allows the City to follow grant restrictions and maintain the compliance required with the grants.

Major renovations over several years have been done to the airport facility to bring it into compliance with the Transportation Security Administration (TSA) security guidelines and a major restructuring of the runways. AIP grants have brought major grant revenues. In the prior year, grant revenue for the Airport Fund and the Airport Construction fund totaled \$1,600,000. This year's grant revenue for the two funds totaled \$1,500,000, both of which are in line with historical averages.

Capital Improvement Fund

The final major fund of the City's is the Capital Improvement Fund. Its purpose is to account for all capital improvements in the General Fund. This year the Capital Improvement fund once again included the construction activity on two new fire stations and a fire training facility. At year's end, it had spent \$20,200,000 toward those undertakings. The new fire stations were completed throughout the year and the fire training facility is nearing completion. These are discussed below.

The City has a policy that requires the General Fund balance to be evaluated each year. Any excess over 25% of the annual budgeted revenues are to be transferred to the Capital Improvement Fund, where it will be available for one-time projects. This year, \$875,000 was transferred under the policy.

Proprietary Funds

The City's proprietary funds reported combined ending net positions of \$153,700,000 on September 30, 2024, with most of that invested in capital assets, net of debt (\$112,000,000). \$41,700,000 is reported as unrestricted for all Proprietary Funds at year's end.

The Funds met their scheduled debt payments and reduced continuing bonds in the Water and Wastewater Funds by \$3,255,000. One of the three outstanding bonds were paid off during the current year. The other two outstanding bonds will be paid off in three, and nine years. Currently no new debt in the proprietary funds is being considered.

In the major proprietary funds that are capital intensive and have existing amounts of debt (Water Fund and Wastewater Fund), increases to the fund balance through net income are essential to maintain adequate equipment and facilities, as well as the ability to repay debt. The existing revenue bond covenants require that a ratio of 1.25 of operating revenue to operating expenses be maintained. The City is meeting the requirements, as well as fully complying with all other promises it made to bondholders as a condition of lending.

Waterworks Fund

The Water Fund's fund balance (other than the investment in Capital Assets) decreased by less than \$100,000. Capital assets increased by \$4,800,000. The water fund has a healthy unrestricted net position, \$16,800,000, but the City has an aging water system that will require use of reserves as projects are determined necessary and feasible. The City has been working with outside partners to determine the priority of projects needed and develop a plan for updating our water system in areas that are deficient. Included in that plan is a need for a new water tank, costing around \$13,000,000.

Wastewater Fund

Treated wastewater gallons remained virtually unchanged from 3,073 (million gallons) for the fiscal year ended September 30, 2023 to 3,115 in the current year. However, over the same period, solids treated (in thousands of pounds) dropped from 7,724 to 5,904. In the previous year, some industrial customers exceeded their discharge permits and incurred penalties. City staff work with these companies to achieve permanent solutions to their excess discharges. One such company made major upgrades to their pre-treatment plant resulting in a decrease in penalties.

The City of Twin Falls has an agreement with a neighboring City, Kimberly, to process the wastewater of Kimberly on much the same terms as it does industrial users. The City of Kimberly is responsible for the additional cost of infrastructure needed to move the waste to the treatment plant. In the past year, along with regular capacity fees charged to developers, the City of Kimberly paid \$2,400,000 to assure that the City of Twin Falls would have the capacity to handle its wastewater. That amount is included in the Fund financial statements for the Wastewater fund and significantly increases Non-Operating Revenues for the year.

The unrestricted portion of the Wastewater fund balance decreased \$500,000.

Sanitation Fund

The last major proprietary fund is the Sanitation Fund. The City contracts for sanitation services with a private third party. The City provides the administrative duties of subscribing and ending services, as well as billing, collections, and related landfill fees with the plan to cover costs with fees. This year the fund decreased by \$110,000. The Fund has an Unrestricted balance of \$850,000. The fund has no debt and no need for an investment in capital assets. In order to decrease that balance, a hold was placed on rate increases for the current year. The City will probably adopt a similar stance until the reserves of the fund are reduced-further yet keeping enough of a fund balance to keep the fund viable.

Included in the Sanitation Fund activities is the City’s recycling program. Based on input from the community to support continued recycling and careful consideration of the balance between being good stewards and the economic costs of doing so – the City Council determined to continue the program but limit the definition of acceptable recycling items to aluminum, cardboard and tin (ACT). However, due to a major recycling plant closing, the cost of recycling has significantly increased. At this time, the City is considering the sustainability of the program.

Economic Factors

The City of Twin Falls diligently monitors and analyzes economic indicators at the international, national, state, and local levels to inform its annual budgetary decisions. Over the past several years, while economic conditions have generally shown growth and prosperity, they have also been marked by significant labor and supply chain shortages. This duality of economic expansion and persistent uncertainties—primarily driven by inflation, labor market constraints, and supply chain disruptions—continues to shape and challenge the city’s budgetary planning and fiscal strategies for the foreseeable future.

Inflation has slowed down recently, but it remains above the Fed’s 2% target. With inflation currently at 2.4%, the Federal Reserve has messaged that there is no urgency to lower interest rates. The Municipal Cost Index (MCI) represents the effects of inflation on the cost of providing municipal services. It shows that municipalities are faring better than the public sector, with a current rate better than nationally measured inflation. The MCI sits at .76%. It has come down from an all-time high of 12.51% in April 2022. The dramatic increase in the Federal Reserve’s benchmark funds rate, to offset inflation, created the highest interest rate hike in almost three decades and had a direct impact on the Country which has reduced investments, lowered economic growth, and an increased cost of borrowing.

Despite the Fed’s reaction to these inflationary pressures through increased rates, Twin Falls has started to see an increase in demand in terms of single-family building permits issued. There were 287 single family permits issued through September 2024; this shows a growth year over year for the first time since 2020. This increase is 270% compared to the same time frame of 2023. This illustrates that the need for additional housing is increasing. Single family building permits issued by the City for the past six years are:

Fiscal Year Ending	Permits Issued
2019	326
2020	573
2021	486
2022	154
2023	106
2024	287

Commercial construction instead is showing a further decline. There were only 19 new commercial building permits issued in FY 2024 with the permitted values equaling \$58,000,000. The current year permits averaged out equate to \$3,000,000 per permit, which is a significant increase compared to last year’s \$500,000 per permit.

Nationwide unemployment rates have gradually started to stabilize years after the pandemic, settling at 4.1% in September 2024. Like the rest of the nation, unemployment levels are at historic lows in Idaho. Statewide unemployment was 3.6% in September 2024. That falls slightly below the City of Twin Falls unemployment rate which was 3.8% at the end of the fiscal year. The low unemployment rate shows the State’s struggle to employ workers.

The City of Twin Falls, as a governmental entity, and the Twin Falls community did much better than the nation during the Great Recession of 2008, the worst economic crisis since the Great Depression. Healthy reserve funds, local government innovation, and a history of conservative fiscal management supported the City’s ability to cope. Several factors influenced the community’s ability to manage successfully, including a strong agricultural base, a strong industrial and commercial base, and excellent community services. Twin Falls has a unique position. It serves as the retail, educational, entertainment, medical and employment hub of a geographic area that contains nearly 275,000 individuals hailing from over 12,000 square miles. Our future, highlighted by major capital improvement projects, several promising businesses, retail providers, and housing developments, is bright. Twin Falls’ desirability as a place to live is clear, even in these demanding times.

Assessed net taxable market values within the City increased \$577,000,000 from \$5,583,000,000 to \$6,160,000,000. Most of that increase was attributed to the change in market values. Properties are required to be reassessed by the County Appraiser every five years. The following is a table showing a comparison of the levy rates for the 2024 and 2023 budget years.

Taxing District	2024 Levy	2023	Percent Change
	Rates (funded 2024-2025 budget)	Rates (funded 2023-24 budget)	
City of Twin Falls	0.004931725	0.004714041	-4.6%
Twin Falls County	0.002683757	0.002671258	-0.5%
Twin Falls County Ambulance District	0.000114905	0.000111169	-3.4%
Twin Falls County Abatement District	0.000067860	0.000063292	-7.2%
Twin Falls School District 411	0.001490168	0.001604588	7.1%
Twin Falls Highway District	0.000725150	0.000703461	-3.1%
College of Southern Idaho	0.000725026	0.000705854	-2.7%
Combined	0.010738591	0.010573663	-1.6%

SLFRF Funding

In response to the Covid-19 public health emergency, the Federal Government provided governments across the country with resources to fight the pandemic through the American Rescue Plan Act of 2021 (“ARPA”), signed into law on March 11, 2021. Among other provisions, one of the key components of ARPA is the State and Local Fiscal Recovery Fund (“SLFRF”), which committed \$350 billion to state and local governments to support their response to, and recovery from, the COVID-19 pandemic. The Fund was created to support families and businesses struggling with its public health and economic effects, maintain vital public services, and build a strong recovery by making investments that support long-term growth and opportunity.

The City of Twin Falls received an allocation of \$8,465,111. Allocations were determined by the population within the unit of government’s jurisdiction. The City committed to allocate the funds to projects with would have a significant impact on the community. The City formed a committee to hear and evaluate submissions from City staff and local organizations, then make a recommendation after an extensive process that was implemented with public input. The final recipients were judged to be:

- \$2,000,000 Vista Bonita Park – A 6.4 Community park near Fire Station #3 on south Washington
- \$1,728,460 Idaho Housing Company – Partnering on a 72 unit workforce housing project
- \$2,895,000 Parks Department - Shoshone Falls Grade, design & construction
- \$1,500,000 Fleet Maintenance – Shop expansion and ADA compliance
- \$125,000 Economic Development – Events Center feasibility study
- \$105,651 Public Works - Sidewalk upgrades, improvements, and construction
- \$62,000 Police Department - Crime scene 3D mapping and diagraming
- \$49,000 MV Fellowship Hall – Needed repairs for a facility servicing those seeking addiction recovery

All funds must be committed by December 31, 2024, and spent in their entirety by December 31, 2026.

Future Issues

The City engages in a process of strategic planning whereby it analyzes the needs of the community and the role the City has in meeting those needs. The City develops a plan and sets goals, along with specific timelines. Those goals have been, and will continue to be, integrated within the budget process, and regularly reviewed to determine the best way to move forward. The following are specific issues the City faces, some defined in that process:

Labor and Talent Shortage

To meet the increased demand for goods, products, and services, more human talent is essential. The City of Twin Falls must position itself as an employer of choice, adapting to the changing labor market beyond just offering competitive pay and benefits. Globally, the workforce is undergoing a radical shift, with a growing divide between the technical and digital skills required for modern positions and the availability of workers possessing those skills. Talent retention is crucial to organizational health, as the loss of talent can erode internal relationships, external partnerships, institutional knowledge, and can lead to burnout among remaining staff.

The City of Twin Falls is looking at several strategies designed to address labor shortages and retain its talented public servants

Using Cash Reserves to Make Strategic Investments in Infrastructure

Through fiscally responsible budgeting, the City has incurred cash reserves to be able to dedicate towards needed projects. The City Council elected to use \$3,185,000 of cash reserves to fund a collection of deficiencies at several existing facilities.

- \$1,200,000 to fund improvement to the Locker Rooms at the City Pool:

The City Pool was constructed more than 30 years ago. Since its opening, building codes and public pool operational best practices have changed dramatically. In recent years, pool management personnel have had to find solutions to the emerging issues. Some of the issues can be solved only by making renovations to the physical structure of the building.

- \$1,810,000 to create City Attorney Offices and make improvements to the City Gym:

The project proposes to remodel the former City Council Chambers and old Engineering Lab area into office space for the City Attorney's Office and make improvements to the existing City gym. The remodel and modernization project encompass nearly 6,000 square feet. The portion of the building that is currently being used as a fiberoptic data hub by the Information Services Department will not be included in the project scope.

- \$175,000 to Fund the Design Police Evidence & Training Facility:

Proposal for full project for newly constructed offsite police evidence storage building, vehicle impound yard, and shelled 100x100 portion of the building for police training use and future expansion. It is planned the building would have interior garage storage space for impounded vehicles, an area for processing vehicles, long term major case evidence storage, officer level access room for intaking large evidence items that cannot be entered into evidence in the main evidence room at the police department. The proposed site is on City-owned property and the City will not have any cost associated with land.

Improvements to Eastland Drive Road Surface and Underground Utilities

The City of Twin Falls was awarded a grant from State of Idaho's Strategic Initiatives Grant Program. The total grant award was \$8,281,960.

Eastland Drive is an important economic corridor that carries more than 20,000 vehicles per day. It provides a direct connection between US Highway 30 and US Highway 93's Business Route and serves as a truck route for agricultural and commercial tractor-trailers. The grant will allow the City of Twin Falls to rehabilitate one mile of roadway on Eastland Drive, from Addison Avenue to Falls Avenue. In addition to rehabilitating the road surface, the project will allow the City to remove "gaps" of curbs, gutters and sidewalks, upgrade existing pedestrian ramps to be more in line with ADA requirements, reconstruct impacted irrigation and storm, drain facilities, and install safety lighting along the corner.

Health Insurance, Compensation & Training

Providing quality benefits to our employees is an important ingredient in our overall attraction and retention strategy. As we have stated for the past five years, health insurance continues to be a difficult subject to navigate in our budgeting efforts. Members of the City's executive leadership team recognize the importance of continuing to offer competitive benefits packages, that it is a critical component in our efforts to be an employer of choice. However, the cost of our health plan continues to outpace the Consumer Price Index, the Municipal Cost Index, and available resources. Because members of our employee family have dealt with serious and costly health challenges, our overall experience rate (our group's medical history and claims experience) has caused our organization to realize significant increases in the overall health insurance costs. The cost of our insurance monthly premium to cover an employee and his/her family has doubled in the last ten years.

Significant changes were made to both the traditional and high deductible plans in FY 2020 in response to a proposed increase of 14%. Small adjustments were made in FY 2021 in response to a 10% increase. With another 9.4% in FY 2022 the decision was made to eliminate the traditional health insurance plan and move all employees and dependents to the high deductible plan. This allowed for modest increases to co-pays, deductibles, and out of pocket maximums. The insurance quote for FY 2025 renewal included an increase of 4.5% in premiums. Our overall group experience has improved significantly in the past twenty-four months and after careful actuarial review, self-funding is now a viable alternative. The opinion of the actuary is that the City has a 91.9% probability of performing better under a self-funded program within the first year. The probability increases to 99.1% when looking at a three-year horizon. Self-funding, or self-insurance is a risk management strategy where the employer assumes the financial risk of providing health care benefits to its employees, rather than purchasing a fully insured plan from a traditional insurance carrier. It is important to maintain a competitive benefit plan in comparison to other public employers. Our health care benefits remain competitive, and the organization is committed to providing optimal benefits for employees while responsibly stewarding financial resources.

Urban Renewal Agency

In 1965, the City of Twin Falls, Idaho organized the Urban Renewal Agency (URA) under Idaho law to redevelop deteriorating areas and promote economic development.

Under governmental accounting standards, the Agency is considered a component unit of the City, and a summary of its financial information is discretely presented in the City's financial statements along with notes to those financial statements which add insight and clarification. The Agency's financial statements are available upon request.

Washington Street South Revenue Allocation Area Termination

The Urban Renewal Plan for the Washington Street South Urban Renewal Project was adopted by the City Council on December 17, 2019, establishing the Washington Street South revenue allocation area. Its effective base year was retroactive to January 1, 2020. The contemplated development under the Washington Street South Plan did not occur and will not occur in the future.

In June 2024, the Agency Board adopted a resolution authorizing the termination of the Washington Street South RAA. All obligations and expenses from remaining projects were completed by September 30, 2024. Non-obligated surplus funds totaling \$48,522.36 were remitted to the Twin Falls County Treasurer to be distributed to the taxing districts proportionately.

Creation of Southwest Revenue Allocation Area

In June 2024, the Board moved forward with analysis of a potential new project area in the southwest part of Twin Falls, generally bounded by Washington Street South, Orchard Drive West, Grandview Drive South, and South Park Avenue West for potential future industrial, manufacturing, and commercial development. An outside party was contracted to provide professional services related to the preparation of an Eligibility Report and Economic Feasibility Study relating to the proposed new revenue allocation area.

The area was identified as eligible for consideration of an Urban Renewal project area. Following the process as outlined in Idaho Code, the Twin Falls City Council adopted the ordinance to establish the new Southwest Urban Renewal Project and Revenue Allocation Area on December 16, 2024.

Creation of Old Towne-2 Revenue Allocation Area

Building on the momentum of public and private development partnerships in the Downtown area of Twin Falls, the Agency worked on the establishment of a new Project Area: the Old Towne-2 Revenue Allocation Area. In compliance with Idaho Code, the Agency developed an Urban Renewal Plan for the Old Towne-2 Revenue Allocation Area, which was adopted by the Twin Falls City Council on November 27, 2023.

The Board's vision for the new area includes additional downtown housing, hotels, a convention center, continued small development on Main Avenue, commercial and light industrial development in the Historical Warehouse District. A Downtown Master Plan, outlining 20 years of development goals, opportunities, and strategies, has been approved.

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2024

	Primary Government			Component Unit- Urban Renewal
	Governmental Activities	Business Type Activities	Total	
<u>Assets</u>				
Cash and Investments	\$ 74,226,485	\$ 48,964,100	\$ 123,190,585	\$ 5,332,226
Receivables:				
Taxes	561,349	-	561,349	17,277
Fees and Services, net of allowances for uncollectibles	-	2,958,158	2,958,158	-
Intergovernmental	3,941,305	1,100	3,942,405	-
Interest	-	-	-	21,855
Accounts	1,500,379	58,219	1,558,598	-
Prepaid Expenses	-	107,271	107,271	-
Inventory	-	1,129,561	1,129,561	-
Pension Asset-FFR Plan	10,628,552	-	10,628,552	-
Capital Assets not being Depreciated				
Land	11,972,762	12,825,918	24,798,680	3,942,322
Construction in Progress	5,987,686	6,004,466	11,992,152	-
Capital Assets				
Buildings and Structures	45,542,998	19,037,927	64,580,925	-
Infrastructure	306,977,752	121,252,135	428,229,887	-
Improvements	23,174,267	41,458,310	64,632,577	-
Machinery and Equipment	28,539,094	18,580,170	47,119,264	-
Accumulated Depreciation	(271,742,592)	(79,981,654)	(351,724,246)	-
Right of Use Assets	9,937,296	-	9,937,296	-
Accumulated Amortization	(154,714)	-	(154,714)	-
Total Assets	251,092,619	192,395,681	443,488,300	9,313,680
<u>Deferred Outflows of Resources</u>				
Pension Obligations	4,913,903	379,963	5,293,866	-
Total Deferred Outflows of Resources	4,913,903	379,963	5,293,866	-
Total Assets and Deferred Outflows of Resources	\$ 256,006,522	\$ 192,775,644	\$ 448,782,166	\$ 9,313,680

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2024

	Primary Government			Component
	Governmental	Business		Unit-
	Activities	Type	Total	Urban
		Activities		Renewal
<u>Liabilities</u>				
Pooled Cash	\$ 261,601	\$ -	\$ 261,601	\$ 5,264
Accounts Payable	4,510,846	2,755,991	7,266,836	18,240
Accrued Expenses	432,589	-	432,589	-
Accrued Interest	48,956	22,927	71,883	6,828,871
Unearned Revenue	7,958,407	-	7,958,407	-
Customer Deposits	771,830	7,037,254	7,809,084	4,556
Noncurrent Liabilities:				
Compensated Absences-Current Portion	1,412,454	173,862	1,586,316	-
Leases Payable Current Portion	145,714	-	145,714	-
Certificates of Participation- Current Portion	285,000	-	285,000	-
Revenue Bond Payable-Current Portion	-	2,520,000	2,520,000	2,540,000
Compensated Absences	994,191	75,810	1,070,001	-
Leases Payable	1,279,069	-	1,279,069	-
Certificates of Participation	8,075,241	-	8,075,241	-
Revenue Bond Payable	-	24,605,831	24,605,831	23,563,000
Development & Project Reimbursement Agreements	-	-	-	24,468,081
Pension Liability	20,063,359	1,832,401	21,895,760	-
Total Liabilities	46,239,257	39,024,076	85,263,332	57,428,012
<u>Deferred Inflows of Resources</u>				
Pension Obligations	37,916	3,401	41,317	-
Total Deferred Inflows of Resources	37,916	3,401	41,317	-
<u>Net Position</u>				
Net Investment in Capital Assets	152,296,140	112,051,441	264,347,581	(46,628,759)
Restricted for:				
Debt Service & Redevelopment	-	-	-	5,660,297
Law Enforcement Activities	187,840	-	187,840	-
Benefit of the TFPD	11,826	-	11,826	-
Capital Construction	2,522,104	-	2,522,104	-
Park Development	1,009,840	-	1,009,840	-
Pensions	10,628,552	-	10,628,552	-
Unrestricted	43,073,048	41,696,726	84,769,774	(7,145,870)
Total Net Position	209,729,350	153,748,167	363,477,517	(48,114,332)
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 256,006,522</u>	<u>\$ 192,775,644</u>	<u>\$ 448,782,166</u>	<u>\$ 9,313,680</u>

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit - Urban Renewal
					Governmental Activities	Business- Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 21,461,532	\$ 3,502,832	\$ 6,630,958	\$ 2,304,801	\$ (9,022,941)	\$ -	\$ (9,022,941)
Fire	7,292,982	652,203	-	-	(6,640,779)	-	(6,640,779)
Police	15,734,142	1,175,085	-	-	(14,559,057)	-	(14,559,057)
Engineering/Planning	3,106,535	1,835,840	-	-	(1,270,695)	-	(1,270,695)
Library	2,507,472	65,705	-	-	(2,441,767)	-	(2,441,767)
Culture and Recreation	3,646,138	662,680	575,239	-	(2,408,219)	-	(2,408,219)
Highway and Street	5,865,210	1,391,947	6,685,358	534,521	2,746,616	-	2,746,616
Airport	3,575,164	1,018,932	456,831	1,501,476	(597,925)	-	(597,925)
Total Governmental Activities	63,189,175	10,305,224	14,348,386	4,340,798	(34,194,767)	-	(34,194,767)
Business-Type Activities:							
Water	9,470,549	12,898,342	-	-	-	3,427,793	3,427,793
Wastewater	11,915,748	10,572,440	91,220	-	-	(1,252,088)	(1,252,088)
Sanitation	3,756,939	4,067,348	-	-	-	310,409	310,409
Dierkes Lake/Shoshone Falls	279,702	537,177	-	-	-	257,475	257,475
Common Area Maintenance	62,959	75,812	-	-	-	12,853	12,853
Total Business-Type Activities	25,485,897	28,151,119	91,220	-	-	2,756,442	2,756,442
Total Primary Government	\$ 88,675,072	\$ 38,456,343	\$ 14,439,606	\$ 4,340,798	\$ (34,194,767)	\$ 2,756,442	\$ (31,438,325)
Component Unit:							
Urban Renewal Agency							\$ (3,368,335)

General Revenues:

Taxes:

Property taxes, Levied for General Purposes	29,603,952	\$ -	\$ 29,603,952	\$ -
Property taxes, Levied for Debt Service	-	-	-	5,066,006
Franchise and Public Service Taxes	506,717	-	506,717	-
Interest, Dividends & Changes in Fair Value	5,514,284	3,692,344	9,206,628	302,932
Gain (Loss) on Sale of Assets or Transfer of Assets	27,630	379,299	406,929	-
Miscellaneous Revenues	1,157,702	303,747	1,461,449	175,703
Transfers	2,325,991	(2,325,991)	-	-
	39,136,276	2,049,399	41,185,675	5,544,641
Change in Net Position	4,941,509	4,805,841	9,747,350	2,176,306
Net Position - October 1, 2023	204,787,841	148,942,326	353,730,167	(50,290,638)
Net Position - September 30, 2024	\$ 209,729,350	\$ 153,748,167	\$ 363,477,517	\$ (48,114,332)

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Fund Balance Sheets

Governmental Funds

September 30, 2024

	General	Street	Airport	Capital Improvement	Airport Construction	Other Governmental	Total Governmental
<u>Assets</u>							
Cash and Investments	\$ 11,875,718	\$ 23,785,153	\$ 3,479,219	\$ 21,671,534	\$ -	\$ 12,755,110	\$ 73,566,734
Receivables (net of allowance)							
Taxes	510,181	23,116	-	22,018	-	1,401	556,716
Intergovernmental	1,546,756	665,265	1,077	1,565,217	-	162,519	3,940,834
Accounts	374,318	520,277	125,688	431,031	18,721	10,196	1,480,231
Total Assets	<u>\$ 14,306,973</u>	<u>\$ 24,993,811</u>	<u>\$ 3,605,984</u>	<u>\$ 23,689,800</u>	<u>\$ 18,721</u>	<u>\$ 12,929,226</u>	<u>\$ 79,544,515</u>
<u>Liabilities</u>							
Pooled Cash	\$ -	\$ -	\$ -	\$ -	\$ 122,102	\$ 139,499	\$ 261,601
Accounts Payable	187,591	1,893,659	39,462	1,638,552	627,265	84,186	4,470,715
Accrued Expenditures	426,143	-	6,187	-	-	-	432,330
Customer Deposits Payable	771,830	-	-	-	-	-	771,830
Total Liabilities	<u>1,385,564</u>	<u>1,893,659</u>	<u>45,649</u>	<u>1,638,552</u>	<u>749,367</u>	<u>223,685</u>	<u>5,936,476</u>
Deferred Inflows of Resources							
Unavailable Revenues-Property Taxes	467,807	20,064	-	19,388	-	1,251	508,510
Unavailable Revenues-Other	-	7,899,410	22,670	223,037	-	-	8,145,117
Total Deferred Inflows of Resources	<u>467,807</u>	<u>7,919,474</u>	<u>22,670</u>	<u>242,425</u>	<u>-</u>	<u>1,251</u>	<u>8,653,627</u>
<u>Fund Balances</u>							
Nonspendable Fund Balance	-	-	-	-	-	-	-
Restricted, Expendable for							
Law Enforcement Activities	187,840	-	-	-	-	-	187,840
Restricted for the Benefit for TFPD	11,826	-	-	-	-	-	11,826
Restricted for Capital Construction	-	-	-	1,846,615	675,489	-	2,522,104
Park Development	-	-	-	-	-	1,009,840	1,009,840
Committed Fund Balance							
Budgeted Surplus Res.	-	-	251,000	5,376,900	-	875,903	6,503,803
Impact Fees	-	-	-	-	-	8,845,789	8,845,789
Drug Seizure	-	-	-	-	-	234,550	234,550
Public Art Fund	-	-	-	75,474	-	-	75,474
Assigned Fund Balance							
General Government	12,253,936	-	-	-	-	-	12,253,936
Streets	-	15,180,678	-	-	-	-	15,180,678
Airport	-	-	3,286,665	-	-	-	3,286,665
Street Light	-	-	-	-	-	537,069	537,069
Capital Improvements	-	-	-	14,509,834	-	-	14,509,834
Community Services-Library	-	-	-	-	-	1,195,209	1,195,209
Unassigned Fund Balance	-	-	-	-	(1,406,135)	5,930	(1,400,205)
Total Fund Balance	<u>12,453,602</u>	<u>15,180,678</u>	<u>3,537,665</u>	<u>21,808,823</u>	<u>(730,646)</u>	<u>12,704,290</u>	<u>64,954,412</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 14,306,973</u>	<u>\$ 24,993,811</u>	<u>\$ 3,605,984</u>	<u>\$ 23,689,800</u>	<u>\$ 18,721</u>	<u>\$ 12,929,226</u>	<u>\$ 79,544,515</u>

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Governmental Fund Balances	\$ 64,954,412
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	160,028,817
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.	736,072
Internal service funds are used by management to charge the costs of certain activities, such as insurance, and vehicle repairs and maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	788,147
Net pension assets, liabilities and associated deferred items are not available to pay for current period expenditures and therefore are deferred in the funds:	
Deferred outflows of resources	4,913,903
Deferred inflows of resources	(37,916)
Pension liability-base plan	(20,063,359)
Pension asset-FFR plan	10,628,552
Long-term liabilities, including capitalized leases, equipment notes and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	
Accrued Interest	(48,956)
Certificates of Participation and Equipment Notes	(9,785,024)
Compensated absences	(2,406,645)
Compensated absences included in the internal service funds	21,347
Net Position of Governmental Activities	<u>\$ 209,729,350</u>

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2024

	<u>General</u>	<u>Street</u>	<u>Airport</u>	<u>Capital Improvement</u>	<u>Airport Construction</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
Revenues							
Property Taxes, Including Interest	\$ 24,583,031	\$ 1,194,036	\$ 457,213	\$ 1,110,286	\$ -	\$ 2,134,361	\$ 29,478,927
Other Taxes	640,382	-	-	-	-	506,717	1,147,099
Special Assessments, Including Interest	-	-	-	-	-	61,067	61,067
Fines and Forfeitures	22,244	-	-	-	-	16,971	39,215
Licenses and Permits	1,740,189	-	-	-	-	-	1,740,189
Fees and Services	1,664,745	-	821,847	-	122,219	3,031,661	5,640,472
Intergovernmental	3,874,094	6,685,358	456,831	2,167,592	-	575,239	13,759,114
Federal Grants	498,742	534,521	44,039	2,300,237	1,457,437	4,564	4,839,540
Interest, Dividends & Changes in Fair Value	959,408	1,670,532	170,724	1,804,657	19,383	874,139	5,498,843
Farm Income	-	-	71,088	-	-	-	71,088
Miscellaneous	1,386,464	1,541,510	3,874	250,395	-	105,822	3,288,065
Total Revenue	<u>35,369,299</u>	<u>11,625,957</u>	<u>2,025,616</u>	<u>7,633,167</u>	<u>1,599,039</u>	<u>7,310,541</u>	<u>65,563,619</u>
Expenditures							
Current							
General Government	6,456,537	-	-	403,573	-	-	6,860,110
Public Safety	22,398,747	-	-	5,709,222	-	52,389	28,160,358
Engineering	1,688,859	-	-	-	-	-	1,688,859
Community Development	1,240,924	-	-	-	-	22,000	1,262,924
Culture and Recreation	2,796,933	-	-	816,037	-	2,836,651	6,449,621
Highway and Streets	-	2,763,575	-	30,512	-	463,538	3,257,625
Airport	-	-	2,125,222	-	2,433,449	-	4,558,671
Capital Outlay	-	3,586,000	-	4,780,970	-	542,594	8,909,564
Total Expenditures	<u>34,582,000</u>	<u>6,349,575</u>	<u>2,125,222</u>	<u>11,740,314</u>	<u>2,433,449</u>	<u>3,917,172</u>	<u>61,147,732</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	787,299	5,276,382	(99,606)	(4,107,147)	(834,410)	3,393,369	4,415,887
Other Financing Sources and (Uses)							
Transfers In	2,828,186	514,647	6,389	1,525,100	-	48,149	4,922,471
Transfers Out	(893,364)	(393,199)	(467,166)	(1,537,722)	-	(683,669)	(3,975,120)
Issuance of Debt	-	-	-	695,140	-	-	695,140
Total Other Financing Sources and (Uses)	<u>1,934,822</u>	<u>121,448</u>	<u>(460,777)</u>	<u>682,518</u>	<u>-</u>	<u>(635,520)</u>	<u>1,642,491</u>
Net Change in Fund Balance	2,722,121	5,397,830	(560,383)	(3,424,629)	(834,410)	2,757,849	6,058,378
Fund Balance October 1, 2023	<u>9,731,481</u>	<u>9,782,848</u>	<u>4,098,048</u>	<u>25,233,452</u>	<u>103,764</u>	<u>9,946,441</u>	<u>58,896,034</u>
Fund Balance September 30, 2024	<u>\$ 12,453,602</u>	<u>\$ 15,180,678</u>	<u>\$ 3,537,665</u>	<u>\$ 21,808,823</u>	<u>\$ (730,646)</u>	<u>\$ 12,704,290</u>	<u>\$ 64,954,412</u>

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for the year ended September 30, 2024

Net Change in Fund Balances - Total Government Funds	\$	6,058,378
Amounts reported for governmental activities in the Statement of Activities are different because:		
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period		
Expenditures for capital assets		12,655,591
Less current year depreciation		<u>(11,412,728)</u>
		1,242,863
In, the statement of activities, the gain (loss) on the sale of the equipment is reported, whereas in the governmental funds, the proceeds from sales increase financial resources. thus, the change in net position differs from the change in fund balance by the net book value of the equipment sold.		
		(302,013)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in government funds.		
Compensated Absences		200,531
Internal service funds are used by management to charge the costs of certain activities, such as insurance and shop repairs and maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		
		(14,435)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Certificates of Participation and Leases Payable issued		(695,140)
Repayment of Debt		412,983
Changes in net pension liability and related pension obligations deferred outflow and employer pension assumption deferred inflow of resources do not provide required current financial resources and therefore are not reflected in the funds.		
		(1,956,382)
Revenues that will not be collected for several months after the City's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows of resources decreased by this amount in the current year.		
		<u>(5,276)</u>
Change in Net Position of Governmental Activities	\$	<u><u>4,941,509</u></u>

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO

Statement of Net Position

Proprietary Funds

September 30, 2024

	Business-Type Activities					Governmental Activities -
	Waterworks	Wastewater	Sanitation	Other Business-Type	Total	Internal Service Funds
<u>Assets</u>						
Current Assets						
Cash and Investments	\$ 23,826,631	\$ 21,861,594	\$ 748,845	\$ 2,527,030	\$ 48,964,100	\$ 659,751
Receivables, net of allowance for uncollectibles						
Taxes	-	-	-	-	-	4,633
Fees and Services	1,365,476	1,172,884	414,260	5,538	2,958,158	-
Intergovernmental	-	1,100	-	-	1,100	471
Accounts	13,078	43,459	-	1,682	58,219	20,148
Inventories	1,129,561	-	-	-	1,129,561	-
Total Current Assets	26,334,746	23,079,037	1,163,105	2,534,250	53,111,138	685,003
Noncurrent Assets						
Prepaid Asset	-	107,271	-	-	107,271	-
Capital Assets (Net of Accum. Depreciation)	56,895,591	80,932,072	-	1,349,609	139,177,272	205,731
Total Noncurrent Assets	56,895,591	81,039,343	-	1,349,609	139,284,543	205,731
Total Assets	83,230,337	104,118,380	1,163,105	3,883,859	192,395,681	890,734
<u>Deferred Outflows of Resources</u>						
Pension Obligations	248,277	131,686	-	-	379,963	-
Total Deferred Outflows of Resources	248,277	131,686	-	-	379,963	-
Total Assets and Deferred Outflows of Resources	\$ 83,478,614	\$ 104,250,066	\$ 1,163,105	\$ 3,883,859	\$ 192,775,644	\$ 890,734
<u>Liabilities and Net Position</u>						
Current Liabilities:						
Accounts Payable	1,325,044	1,015,398	315,385	100,164	2,755,991	40,227
Accrued Interest	-	22,927	-	-	22,927	163
Unavailable Revenues-Property Taxes	-	-	-	-	-	4,209
Unavailable Revenues-Other	-	-	-	-	-	36,643
Customer Deposits Payable	7,037,254	-	-	-	7,037,254	-
Revenue Bonds Payable - Current	-	2,520,000	-	-	2,520,000	-
Compensated Absences	133,289	40,573	-	-	173,862	17,849
Total Current Liabilities	8,495,587	3,598,898	315,385	100,164	12,510,034	99,091
NonCurrent Liabilities:						
Revenue Bonds Payable (Net of Discounts)	-	24,605,831	-	-	24,605,831	-
Compensated Absences	60,447	15,363	-	-	75,810	3,496
Pension Liability	1,268,103	564,298	-	-	1,832,401	-
Total Non-current Liabilities	1,328,550	25,185,492	-	-	26,514,042	3,496
Total Liabilities	9,824,137	28,784,390	315,385	100,164	39,024,076	102,587
<u>Deferred Inflows of Resources</u>						
Pension Obligations	2,329	1,072	-	-	3,401	-
Total Deferred Inflows of Resources	2,329	1,072	-	-	3,401	-
<u>Net Position</u>						
Net Investment In Capital Assets	56,895,591	53,806,241	-	1,349,609	112,051,441	205,731
Restricted	-	-	-	-	-	-
Restricted for Debt Retirement	-	-	-	-	-	-
Unrestricted	16,756,557	21,658,363	847,720	2,434,086	41,696,726	582,416
Total Net Position	73,652,148	75,464,604	847,720	3,783,695	153,748,167	788,147
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 83,478,614	\$ 104,250,066	\$ 1,163,105	\$ 3,883,859	\$ 192,775,644	\$ 890,734

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2024

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business- Type	Total	
Operating Revenues:						
Charges for Services	\$ 12,656,691	\$ 10,267,500	\$ 4,067,348	\$ 612,989	\$ 27,604,528	\$ 594,556
Taps, Connection and Other Fees	241,651	-	-	-	241,651	-
Special Assessments, Including Interest	-	-	-	-	-	244,616
Miscellaneous	53,159	119,375	2,454	9,130	184,118	-
Total Operating Revenues	12,951,501	10,386,875	4,069,802	622,119	28,030,297	839,172
Operating Expenses:						
Contracted Services	313,335	4,200,262	2,726,049	138,940	7,378,586	7,138
Personnel Expenses	3,277,938	1,203,686	-	81,762	4,563,386	493,998
Depreciation and Amortization	2,062,396	3,651,566	-	58,519	5,772,481	10,818
Utilities	1,266,725	4,412	-	8,753	1,279,890	12,310
Landfill Expenses	-	-	929,306	-	929,306	-
Supplies	748,876	77,600	-	9,241	835,717	41,904
Insurance	-	-	-	-	-	611,052
Repairs and Maintenance	218,700	26,809	-	3,582	249,091	11,896
Vehicle Expenses	207,523	61,616	-	2,069	271,208	1,809
Small Equipment	787,511	1,615,562	-	29,937	2,433,010	1,049,403
Studies and Projects	32,088	-	85,840	-	117,928	-
Rental Expense	177,667	-	-	-	177,667	-
Miscellaneous Expense	238,310	38,684	15,744	9,858	302,596	895
Testing and Monitoring	91,366	-	-	-	91,366	-
Travel and Meetings	9,518	3,766	-	-	13,284	6,464
Total Operating Expenses	9,431,953	10,883,963	3,756,939	342,661	24,415,516	2,247,687
Operating Income (Loss)	3,519,548	(497,088)	312,863	279,458	3,614,781	(1,408,515)
Non-Operating Revenues (Expenses):						
Development Fees	-	304,940	-	-	304,940	-
Interest, Dividends & Changes in Market Value	1,777,402	1,681,390	62,440	171,112	3,692,344	15,440
Rent and Royalties	119,630	-	-	-	119,630	-
Federal Grants	-	91,220	-	-	91,220	-
Gain (Loss) on Sale or Transfer of Assets	167,603	201,732	-	9,964	379,299	-
Interest Expense	(38,596)	(1,031,785)	-	-	(1,070,381)	-
Total Non-Operating Revenues (Exp.)	2,026,039	1,247,497	62,440	181,076	3,517,052	15,440
Income (Loss) Before Interfund Transfers	5,545,587	750,409	375,303	460,534	7,131,833	(1,393,075)
Interfund Transfers						
Transfers In	528,421	-	-	133,486	661,907	1,451,998
Transfers Out	(1,407,491)	(1,077,890)	(486,197)	(16,321)	(2,987,899)	(73,358)
Net Transfers	(879,070)	(1,077,890)	(486,197)	117,165	(2,325,992)	1,378,640
Net Income (Loss)	4,666,517	(327,481)	(110,894)	577,699	4,805,841	(14,435)
Total Net Position, October 1, 2023	68,985,631	75,792,085	958,614	3,205,996	148,942,326	802,582
Total Net Position, September 30, 2024	\$ 73,652,148	\$ 75,464,604	\$ 847,720	\$ 3,783,695	\$ 153,748,167	\$ 788,147

See accompanying notes to the financial statements.

CITY OF TWIN FALLS, IDAHO
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-Type Activities					Governmental Activities - Internal Service Funds
	Waterworks	Wastewater	Sanitation	Other Business-Type	Total	
Cash Flows from Operating Activities						
Receipts from Customers	\$ 17,826,548	\$ 13,182,383	\$ 4,058,134	\$ 618,050	\$ 35,685,115	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	-	592,487
Property Taxes, Including Interest	-	-	-	-	-	302,556
Payments to Suppliers	(3,292,339)	(5,144,708)	(3,741,353)	(393,715)	(12,572,115)	(1,744,939)
Payments to Employees	(3,053,987)	(1,125,156)	-	(81,762)	(4,260,905)	(491,056)
Other Receipts	53,159	119,375	2,454	9,130	184,118	-
Net Cash Provided (Used) by Operating Activities	11,533,381	7,031,894	319,235	151,703	19,036,213	(1,340,952)
Cash Flows from Non-Capital Financing Activities						
Interfund Transfers to Other Funds	(1,407,491)	(1,077,890)	(486,197)	(16,321)	(2,987,899)	(73,358)
Receipts from (Advances) to Other Funds	528,421	-	-	133,486	661,907	1,451,998
Net Cash Provided (Used) by Non-Capital Financing Activities	(879,070)	(1,077,890)	(486,197)	117,165	(2,325,992)	1,378,640
Cash Flows from Capital and Related Financing Activities						
Purchase of Capital Assets	(4,863,270)	(87,621)	-	(43,856)	(4,994,747)	-
Construction in Progress	(1,111,839)	(1,109,374)	-	(137,630)	(2,358,843)	-
(Gain) Loss on Disposals, Transfers of Capital Assets	(89,860)	(201,732)	-	-	(291,592)	-
Principal Paid on Capital Debt	(805,000)	(2,450,000)	-	-	(3,255,000)	-
Interest Paid on Capital Debt	(40,250)	(1,034,276)	-	-	(1,074,526)	-
Development Fees	-	304,940	-	-	304,940	-
Rents and Royalties	119,630	-	-	-	119,630	-
Capital Grants	-	91,220	-	-	91,220	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,790,589)	(4,486,843)	-	(181,486)	(11,458,918)	-
Cash Flows from Investing Activities						
(Purchase) or Sale of Securities	(3,813,716)	(5,518,011)	(230,103)	(486,293)	(10,048,123)	(64,142)
Interest, Dividends & Changes in Fair Value	1,777,402	1,681,390	62,440	171,112	3,692,344	15,440
Net Cash Provided (Used) by Investing Activities	(2,036,314)	(3,836,621)	(167,663)	(315,181)	(6,355,779)	(48,702)
Net Increase (Decrease) in Cash and Cash Equivalents	1,827,408	(2,369,460)	(334,625)	(227,799)	(1,104,476)	(11,014)
Balances - Beginning of the Year	4,534,141	(1,038,917)	29,705	527,828	4,052,757	377,022
Balances - End of the Year	\$ 6,361,549	\$ (3,408,377)	\$ (304,920)	\$ 300,029	\$ 2,948,281	\$ 366,008
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ 3,519,548	\$ (497,088)	\$ 312,863	\$ 279,458	\$ 3,614,781	\$ (1,408,515)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	2,139,496	3,791,980	-	58,519	5,989,995	10,818
Amortization	(77,100)	(140,414)	-	-	(217,514)	-
Gain or Loss on Disposal of Assets	167,603	201,732	-	-	369,335	-
Change in Assets and Liabilities:						
Receivables, Net	422,112	2,914,883	(9,214)	5,061	3,332,842	19,544
Prepaid Expenses	-	11,918	-	-	11,918	-
Inventories	(7,163)	-	-	-	(7,163)	-
Unavailable Revenue	-	-	-	-	-	36,327
DOF or Resources-Pension Obligations	300,508	108,993	-	-	409,501	-
Accounts Payable	638,840	670,353	15,586	(191,335)	1,133,444	(2,068)
Customer Deposits	4,506,094	-	-	-	4,506,094	-
Compensated Absences	31,547	8,747	-	-	40,294	2,942
Pension Asset or Liability	(107,444)	(38,971)	-	-	(146,415)	-
DIF or Resources-Pension Obligations	(660)	(239)	-	-	(899)	-
Net Cash Provided (Used) by Operating Activities	\$ 11,533,381	\$ 7,031,894	\$ 319,235	\$ 151,703	\$ 19,036,213	\$ (1,340,952)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds						
Cash and Investments-Statement of Net Position	\$ 23,826,631	\$ 21,861,594	\$ 748,845	\$ 2,527,030	\$ 48,964,100	\$ 659,751
Less: Investments	(17,465,082)	(25,269,971)	(1,053,765)	(2,227,001)	(46,015,819)	(293,743)
Cash and Cash Equivalents	\$ 6,361,549	\$ (3,408,377)	\$ (304,920)	\$ 300,029	\$ 2,948,281	\$ 366,008

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES

The City of Twin Falls, Idaho is a municipal corporation governed by an elected seven-member council.

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

FINANCIAL REPORTING ENTITY

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended component unit and each discretely presented component unit has a September 30 year end. A brief description of the discretely presented components units follows:

Blended Component Unit-Twin Falls Public Library

Blended component units are legally separate organizations but are intertwined enough that they are reported as part of the primary government. The City's relationship with the Library is such that the City Council, the governing body of the City of Twin Falls, is also the definitive and final governing body of the Library and there exists a financial benefit and burden between the City and the Library. As such the activity of the Library is presented with the City's.

Discretely Presented Component Units-Urban Renewal Agency

The Urban Renewal Agency is a directly presented component unit of the City.

A discretely presented component unit is legally separate from the City but is financially accountable to the City, or its relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Component units are reported in a separate column to emphasize that they are legally separate from the primary government.

The Urban Renewal Agency is responsible for rehabilitation, conservation, and redevelopment of deteriorated properties in areas within the City's jurisdiction. The seven-member board is appointed by the City Council. The City and the Agency have an agreement that the City will make available certain personnel for administrative, legal, engineering, budgeting, and accounting services and assistance to the Agency to the extent that the City has appropriated necessary funds to provide such assistance. The Agency has agreed to reimburse the City annually for these costs. The City has no responsibility for debt issuance of the Agency. The Agency is presented as a governmental fund type.

Complete financial statements for the Urban Renewal Agency may be obtained at the entity's administrative offices.

BASIS OF PRESENTATION

The City'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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 City as a whole. The primary government and the component units are 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 City's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The fiduciary funds of the primary government are not included in the government-wide financial statements.

The statement of net position presents the financial position of the governmental and business-type activities of the City and its discretely presented component unit at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City 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 City'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 City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City 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 City at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting

The City 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 City uses three categories of funds: governmental, proprietary and fiduciary.

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 City reports the difference between its governmental fund assets and its liabilities and deferred inflows of resources as fund balance.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

The government reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Street Fund** is a special revenue fund. It accounts for and reports State tax revenues that are dedicated to maintenance and operation of roads as well as revenues collected from users of roads and streets through a fuel tax. Other revenues which are used to meet the maintenance need and supplement the State revenues include general property taxes and franchise fees collected by the City's electrical utility provider.

The **Airport Fund** is another reported special revenue fund and accounts for and reports the operational activity of the municipal airport. Accounting for the activities of the airport is the responsibility of the City. However, the airport is jointly funded with the City's use of property tax revenue and an equal contribution from the County. The Fund also receives revenues from landing fees, concession and franchise fees, and hanger and land rentals.

The **Capital Improvement Fund and Airport Construction Fund** are used to account for the acquisition of capital assets or construction of major capital projects. The Capital Improvement Fund reflects projects other than airport projects that are not being financed by proprietary or non-expendable trust funds. The Airport Construction Fund is specific to capital projects on site at the airport.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds.

The government reports the following major proprietary funds:

The **Waterworks Fund** is used to account for the costs necessary to operate the City's water system and the charges necessary to offset those costs.

The **Wastewater Fund** is used to account for the costs necessary to operate the City's sewer system and the charges necessary to offset those costs.

The **Sanitation Fund** is used to account for the costs necessary to operate the City's garbage collection and the charges necessary to offset those costs.

Fiduciary Funds

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. In the current year, the City does not have any Fiduciary Funds.

Other Fund Types

The City also reports the following fund types:

Internal Service Funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City of Twin Falls uses internal service funds to account for the management of its retained risks and insurance and for its fleet of vehicles and heavy equipment.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

MEASUREMENT FOCUS

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 City 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.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statements of cash flows provide information about how the City finances and meets the cash flow needs of its proprietary activities.

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. Proprietary funds use the accrual basis of accounting at both reporting levels. Fiduciary funds use the accrual basis at the fund reporting level. 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 City, 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 City receives value without directly giving equal value in return, include sales taxes, 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 City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City 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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: Property taxes, franchise taxes, licenses, interest, federal and state grants, and special assessments. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. 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.

ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES, AND NET POSITION OR EQUITY

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts of cash on hand, demand deposits and highly liquid short-term investments with an original maturity of three months or less from the date acquired by the government.

For purposes of the statement of cash flows, The City considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

State statutes authorize the City to invest in certain revenue bonds, general obligation bonds, local improvement district bonds, registered warrants of state and local governmental entities, time deposit accounts, tax anticipation and interest-bearing notes, bonds, treasury bills, debentures or other similar obligations of the United States Government and the Farm Credit System and repurchase agreements.

The City's Investment Policy requires that investments within the portfolio be diversified in order to avoid risks in specific instruments, individual financial institutions, or maturities.

Investments are stated at fair value, as determined by quoted market prices, except for certificates of deposits, which are non-participating contracts, and are therefore carried at amortized cost. Idaho Code provided authorization for the investment of funds as well as to what constitutes an allowable investment. The City policy allows for investment of idle funds consistent with the Idaho State Code 67-1210 and 67-1210A.

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

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

The LGIP is managed by the State of Idaho's Treasury's office. The funds of the pool are invested in certificates of deposits, repurchase agreements, and U.S. government securities. The certificates of deposits are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank. Interest income earned on pooled investments is allocated to the various funds of the City in proportion to each fund's respective investment balances.

Pooled Cash Deficits

The City uses a pooled cash system of cash management. All City obligations are paid through the general fund. Cash is then allocated to the other funds based on amounts received and spent. Some funds have investments that cover the fund overdrafts. Also, some funds are involved in federal grants that the City must fund and then request reimbursement from the federal government.

Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund balance sheets. They are eliminated on the government-wide financial statements. Short-term inter-fund loans are classified as "interfund receivables /payables."

All trade and property tax receivables are shown net of an allowance for uncollectibles for the City and the Agency.

Fees and Services receivable are amounts owed to the City for customer services and are due from area residents and businesses and relate to water, sewer and trash services provided by the City. The receivable is reported net of an allowance for uncollectible accounts. An allowance is reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts was \$4,046 as of September 30, 2024.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recognized as expenditures in governmental fund financial statements and as expenses in government-wide and proprietary fund financial statements when used (consumption method).

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

Capital Assets, Depreciation, and Amortization

The City's property, plant equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and combining component unit's financial statements. Donated assets are valued at their acquisition value. In the event that donated capital assets are received under a service concession agreement those assets would be recorded at acquisition value. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Estimated useful lives, in years, for depreciable assets are as follows:

Land	Not depreciated
Buildings and Structures	20-50
Infrastructure	40
Improvements	30
Machinery and equipment	3-20

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the proprietary funds using the straight-line method over the following estimated useful lives:

Land	Not depreciated
Buildings and improvements	50 years
Machinery and equipment	5-20 years

As of September 30, 2024, no capital assets were considered to be impaired, and no impairment loss was recognized for the year that ended September 30, 2024.

The Urban Renewal Agency has acquired certain properties and made improvements such as streets, parking lots and parks in its effort to rehabilitate many areas of the City of Twin Falls. 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.

No depreciation has been computed or recorded in these statements for any existing buildings on these properties for the Agency.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City's deferred outflow of resources are its pension obligations. The pension obligations are the difference between the expected and actual experience of the pension plan, the difference between projected and actual investment earnings, the changes in assumptions, the change in the City's proportionate share of the City's pension liability, and the contributions subsequent to the measurement date of the City's pension liability.

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 represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category: the deferred pension obligation and unavailable revenue. The employer deferred pension obligation results from the differences between expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the City's pension liability. 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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, comp hours in lieu of overtime hours, and sick pay benefits. Vacation pay and comp hours are accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay and comp hours for governmental funds are reported as expenditures of the related fund when paid. Accrued vacation pay and comp hours of governmental funds are further recorded as liabilities in the Government Wide Financial Statements.

No liability is reported for unpaid accumulated sick leave. However, once employees reach a maximum sick leave accrual amount, any excess hours are accumulated in a "Retirement Account" and at retirement they may be converted to their dollar equivalent and used exclusively for the purchase of health insurance. Retirement hour accruals and expenditures are treated the same as unused vacation and comp hours.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Leases are recognized as a liability in the governmental fund financial statements when due.

Debt Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against debt payable and debt issuance costs are recognized as an outflow of resources in the period incurred. On the government-wide and proprietary fund type statement of activities, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

At the government fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued. Debt issuance costs 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 City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Non-spendable 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).

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action by the City's highest level of decision-making authority, the City Council. Formal actions taken by the City Council that are recognized as committed funds are City Ordinances. Ordinances are enacted by a majority vote of Council Members. Idaho State statutes sometimes restrict or dictate the allowable content of City Ordinances as well as the process to establish, modify, or rescind a City Ordinance.

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 City Council or through the City Council delegating this responsibility to the City manager through the budgetary process.

Unassigned Fund Balance – Residual balances in the General Fund that have not been restricted, committed, or assigned.

Other governmental funds may report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of the fund.

The City passes ordinances and resolutions which may control the use of the City's funds. An ordinance constitutes the more binding constraint and is the restriction that is used for classifying when a fund balance is restricted.

It is the policy of the City that expenditures, for which more than one category of fund balance could be used, will be expended in the following categorical order: restricted, committed, assigned, and unassigned.

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 City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, wastewater, and sanitation. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Items that do not result from the provision of goods or services to customers or directly relate to the principal and usual activity of the fund are recorded as nonoperating revenues and expenses. These items include investment earnings and gains or losses on the disposition of capital assets.

Interfund Activity

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).

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension asset and pension expense (revenue), information about the fiduciary net position of the Firefighters' Retirement Fund Plan (FRF) and additions to/deductions from FRF's fiduciary net position have been determined on the same basis as they are reported by the FRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the required supplementary information and in the supplementary information in order to provide an understanding of the changes in the financial position and operations of these funds.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

On or before June 1st of each year, all agencies of the City submit requests for appropriation to the City's manager so that a budget may be prepared. The Budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The budget includes amounts for capital expenditures but does not include allowances for depreciation.

Before August 31, the proposed budget is presented to the City's Council for review. The City Council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City's manager or the revenue estimates must be changed by an affirmative vote of a majority of the City's Council. The City's department heads may make transfers of appropriations within a department.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, some supplementary appropriations were necessary.

Although not required by statute, the City also maintains a long-term planning committee which is charged with making budget recommendations, generally for personnel request and capital items, five years into the future.

CITY OF TWIN FALLS, IDAHO*Notes to Financial Statements*

September 30, 2024

3. DEPOSITS AND INVESTMENTS**Cash and Cash Equivalents**

A reconciliation of cash and cash equivalents on September 30, 2024 is as follows:

Reconciled Bank Accounts	\$ 6,939,261
State Investment Pool	1,055,284
Savings & Certificates	249,913
Money Market Mutual Funds	2,104,697
Library Operating Fund	21,816
Petty Cash	4,507
Total Cash	<u>\$ 10,375,478</u>

Cash and Investment Reconciliation
to the Statement of Net Position

Cash as Stated Above	\$ 10,375,478
Investments	112,815,107
Pooled Cash Deficit	(261,601)
Cash and Investments	<u>\$ 122,928,984</u>

On September 30, 2024, the Urban Renewal Agency's reconciliation of cash and cash equivalents is as follows:

Cash in Bank	\$ 79,900	Reconciliation to the Statement of Net Assets	
State Investment Pool	1,287,916	Cash on Statement of Net Assets	\$ 5,332,226
Money Market Fund	3,959,146	Pooled Cash Deficit	(5,264)
Total	<u>\$ 5,326,962</u>	Total Cash	<u>\$ 5,326,962</u>

The City's and the Agency's reconciled bank balances are covered by \$500,000 and \$250,000 respectively, of federal depository insurance with the remainder covered by collateral held by their agent.

Investments – The City held the following investments on September 30, 2024.

US Government Bonds	\$ 1,155,556
Mortgage/Asset Backed Securities	107,094,485
Municipal Bonds	1,185,842
Corporate Bonds	<u>3,379,224</u>
Total	<u>\$ 112,815,107</u>

All investments are guaranteed by the U.S. Government except for the corporate obligations. All investments were held in trust for the City in the Agents name. The City or Agency has no investments in foreign currency and no exposure to foreign currency risk.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

3. DEPOSITS AND INVESTMENTS-Continued

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The risk can be managed using a calculation called duration that uses various inputs such as yield and years until maturity to estimate interest rate risk. Generally, the higher the duration number, the higher the risk. The City manages exposure to interest rate risk by purchasing a combination of long and short-term investments. Information about the exposure of the City's debt type investments to this risk, using the segmented time distribution model is as follows:

Investments	Investment Maturities (in years)				
	Fair Value	Less than 1 year	1-5 Years	6-10 Years	Over 10 Years
U.S. Government Bonds					
Small Business Admin GTD	\$ 669,216	\$ -	\$ 81,605	\$ 134,123	\$ 453,488
Federal Home Loan Banks	486,340	-	486,340	-	-
Mortgage/Asset Backed Securities					
Federal Home Loan Mortgage Corporation	995,481	-	78,545	512,712	404,224
FHLMC Multiclass Mtg Partn CTFS	42,752,193	202,083	1,953,616	9,509,027	31,087,467
FNMA GTD MTG Pass thru CTFS Pool	8,380,048	-	4,662,424	3,717,624	-
FNMA GTD REMIC PASS THRU CTF	53,741	-	16,520	37,221	-
FNMA GTD REMIC PASS THRU TR	35,874,444	33	478,198	11,669,546	23,726,667
FNMA STRIPPED MTG BACKED SECURITIES	143,964	-	-	-	143,964
Freddie MAC Seasoned CR Risk	2,129,344	-	-	-	2,129,344
FRESB MultiFamily Mortgage	236,403	-	236,403	-	-
GNMA GTD MTG PASS THRU CTFS POOL	1,942	998	944	-	-
GNMA GTD Multifamily remic pass thru	2,425,326	-	-	85,891	2,339,435
GNMA GTD REMIC PASS THRU SECS	13,218,576	8,475	130,424	4,127,786	8,951,891
GNMA II GTD MTG PASS THRU CTFS POOL	112,538	-	92,113	20,425	-
Small Business Admin GTD DEV PARTN	193,534	14,564	29,326	-	149,644
Small Business Admin GTD PARTN CTFS	576,951	39,820	226,235	-	310,896
Municipal Bonds					
Vermont St Student Assistance Corp	1,185,842	-	-	1,185,842	-
Corporate Bonds	3,379,224	481,155	2,898,069		-
	<u>\$ 112,815,107</u>	<u>\$ 747,128</u>	<u>\$ 11,370,762</u>	<u>\$ 31,000,197</u>	<u>\$ 69,697,020</u>

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

3. DEPOSITS AND INVESTMENTS-Continued

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy requires a rating of A- or its equivalent by two or more public rating agencies at the time of purchase. Short term credit ratings for commercial paper must be top tier A1/PI/FI by two of the three credit rating agencies at the time of purchase. The ratings of investments subject to credit risk are as follows:

Investments subject to credit risk	Fair Value	Moody's Rating
U.S. Government Bonds		
Small Business Admin GTD	\$ 669,216	Unrated
Federal Home Loan Banks	486,340	Aaa
Mortgage/Asset Backed Securities		
Federal Home Loan Mortgage Corporation	995,481	Unrated
FHLMC Multiclass Mtg Partn CTFS	42,752,193	Unrated
FNMA GTD MTG Pass thru CTFS Pool	8,380,048	Unrated
FNMA GTD REMIC PASS THRU CTF	53,741	Unrated
FNMA GTD REMIC PASS THRU TR	35,874,444	Unrated
FNMA STRIPPED MTG BACKED SECURITIES	143,964	Unrated
Freddie MAC Seasoned CR Risk	2,129,344	Unrated
FRESB MultiFamily Mortgage	236,403	Unrated
GNMA GTD MTG PASS THRU CTFS POOL	1,942	Unrated
GNMA GTD Multifamily remic pass thru	2,425,326	Unrated
GNMA GTD REMIC PASS THRU SECS	13,218,576	Unrated
GNMA II GTD MTG PASS THRU CTFS POOL	112,538	Unrated
Small Business Admin GTD DEV PARTN	178,970	Unrated
Small Business Admin GTD DEV PARTN	14,564	Aaa
Small Business Admin GTD PARTN CTFS	558,051	Unrated
Small Business Admin GTD PARTN CTFS	18,900	AAA
Municipal Bonds		
Vermont St Student Assistance Corp	1,185,842	AAA
Corporate Bonds	2,898,069	A1
Corporate Bonds	481,155	A3
	\$ 112,815,107	

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

3. DEPOSITS AND INVESTMENTS-Continued

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City 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 City only conducts investment purchases on a delivery versus payment basis with all securities held by a safe keeper, in the City's name, to eliminate custodial credit risk.

Concentration of Credit Risk

The City's investment policy has limits on the amount that can be invested in any one issuer. The City did not have investments in any one issuer (other than State investment pools) that represented 5% or more of total City investments. The following groups of investments did exceed 5%.

	Reported	
	Amount	Percentage
Mortgage/Asset Backed Securities		
FHLMC Multiclass Mtg Partn CTFS	42,752,193	37.90%
FNMA GTD REMIC PASS THRU	8,380,048	7.43%
FNMA GTD REMIC PASS THRU TR	35,874,444	31.80%
GNMA GTD REMIC PASS THRU SECS	13,218,576	11.72%

Fair Value

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the Statement of Net Position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted price for identical investments in active markets.

Level 2: Observable inputs other than quoted market prices; and

Level 3: Unobservable inputs.

The City's investment fair value measurements are as follows on September 30, 2024:

Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
US Government Bonds	\$ 1,155,556	\$ -	\$ 1,155,556	\$ -
Mortgage/Asset Backed Securities	107,094,485	-	107,094,485	-
Municipal Bonds	1,185,842		1,185,842	
Corporate Bonds	3,379,224	-	3,379,224	-
Total	<u>\$ 112,815,107</u>	<u>\$ -</u>	<u>\$ 112,815,107</u>	<u>\$ -</u>

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

3. DEPOSITS AND INVESTMENTS-Continued

Level 2 inputs for the investments are based on a matrix pricing model. Investments valued using the net asset value (NAV) per share generally do not have readily obtainable fair values and are instead valued based on the City's pro-rata share of the pool's net position. The City values these investments based on the information provided by the State of Idaho Treasurer's Office. The following table presents the unfunded commitments, redemption frequency and the redemption notice period for the City's investments measured at NAV:

Investments Measured at the NAV				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Local Government Investment Pool	\$ 1,055,284	None	Daily	1-3 days

4. TAXES RECEIVABLE, UNAVAILABLE REVENUE, AND DUE FROM OTHER GOVERNMENTS

The City of Twin Falls and its component unit, the Urban Renewal Agency, are located in Twin Falls County.

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. 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 owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation.

Property taxes uncollected by November 30, 2024, are considered to be deferred revenue.

Taxes receivable and deferred revenue on September 30, 2024, consist of the following for the City:

Fund	Taxes Receivable	Unavailable Revenue
General	\$ 510,181	\$ 467,807
Street	23,116	20,064
Street Lighting	1,401	1,251
Capital Improvement	22,018	19,388
Insurance	4,633	4,209
Total	<u>\$ 561,349</u>	<u>\$ 512,719</u>

CITY OF TWIN FALLS, IDAHO*Notes to Financial Statements*

September 30, 2024

4. TAXES RECEIVABLE, UNAVAILABLE REVENUE, AND DUE FROM OTHER GOVERNMENTS-Continued

Unavailable revenue, per the fund balance sheets consists of the following:

Property Taxes	\$ 512,719
Unearned Revenues-Other	<u>8,181,760</u>
Total	<u>\$ 8,694,479</u>

Urban Renewal Agency taxes receivable and unavailable revenue on September 30, 2024 consist of 2023 property tax revenue to be collected after November 30, 2024.

Amounts due from other governments on September 30, 2024 are presented as follows for the City:

Fund	Federal	State	County	Local	Total
General	\$ 5,648	\$ 1,384,947	\$ 71,205	\$ 84,956	\$ 1,546,756
Street	-	660,362	4,903	-	665,265
Street Lighting	-	-	134	-	134
Library	-	-	4,611	-	4,611
Airport	-	-	1,077	-	1,077
Capital Improvement	-	1,563,265	1,952	-	1,565,217
Insurance	-	-	471	-	471
Pool	-	155,576	-	-	155,576
Fireworks	-	2,198	-	-	2,198
Wastewater	-	1,100	-	-	1,100
Total Fund and Government-wide Financial Statements	<u>\$ 5,648</u>	<u>\$ 3,767,448</u>	<u>\$ 84,353</u>	<u>\$ 84,956</u>	<u>\$ 3,942,405</u>

Urban Renewal Agency receivable from other governments consists of property taxes collected by the County prior to December 1, 2024.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

5. CAPITAL ASSETS

Changes in capital assets for the City for the year ended September 30, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Government-wide Assets:					
Capital Assets, not Being Depreciated					
Land	\$ 11,972,762	\$ -	\$ -	\$ -	\$ 11,972,762
Construction in Progress	16,615,970	8,743,959	-	(19,372,243)	5,987,686
Total Capital Assets, not Being Depreciated	28,588,732	8,743,959	-	(19,372,243)	17,960,448
Capital Assets Being Depreciated					
Buildings and Structures	37,142,256	1,338,498	-	7,062,244	45,542,998
Infrastructure	305,074,291	406,914	-	1,496,547	306,977,752
Improvements	21,602,558	228,459	-	1,343,250	23,174,267
Machinery and Equipment	27,359,537	1,937,762	(574,386)	(183,819)	28,539,094
Total Capital Assets Being Depreciated	391,178,642	3,911,633	(574,386)	9,718,222	404,234,111
Right to Use Assets					
Buildings and Structures	-	-	-	9,208,464	9,208,464
Machinery and Equipment	728,832	-	-	-	728,832
Total Right to Use Assets	728,832	-	-	9,208,464	9,937,296
Less Accum. Deprec. For Govt. Wide					
Buildings and Structures	14,007,765	1,068,007	-	-	15,075,772
Infrastructure	213,446,542	7,585,163	-	-	221,031,705
Improvements	16,078,274	792,375	-	-	16,870,649
Machinery and Equipment	17,561,932	1,889,770	(573,930)	(144,000)	18,733,772
Total Accum. Deprec.	261,094,513	11,335,315	(573,930)	(144,000)	271,711,898
Less Accum. Amortization For Govt. Wide					
Buildings and Structures	-	15,347	-	-	15,347
Machinery and Equipment	97,178	72,883	-	-	170,061
Total Accum. Amortization	97,178	88,230	-	-	185,408
Governmental Activities Capital Assets, net	\$ 159,304,515	\$ 1,232,047	\$ (456)	\$ (301,557)	\$ 160,234,549

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

5. CAPITAL ASSETS - Continued

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business Type Activity Assets:					
Capital Assets, not Being Depreciated					
Land	\$ 12,825,918	\$ -	\$ -	\$ -	\$ 12,825,918
Construction in Progress	2,741,680	6,027,189	-	(2,764,403)	6,004,466
Total Capital Assets, not Being Depreciated	15,567,598	6,027,189	-	(2,764,403)	18,830,384
Capital Assets Being Depreciated					
Buildings and Structures	19,037,927	-	-	-	19,037,927
Infrastructure	120,589,386	-	-	662,749	121,252,135
Improvements	39,123,806	512,511	-	1,821,993	41,458,310
Machinery and Equipment	17,349,894	813,889	(308,831)	725,218	18,580,170
Total Capital Assets Being Depreciated	196,101,013	1,326,400	(308,831)	3,209,960	200,328,542
Less Accum. Deprec. For Business Type Activities					
Buildings and Structures	16,053,136	409,025	-	-	16,462,161
Infrastructure	26,467,234	3,827,157	-	-	30,294,391
Improvements	20,836,757	770,526	-	-	21,607,283
Machinery and Equipment	10,799,364	983,286	(308,831)	144,000	11,617,819
Total Accum. Deprec.	74,156,491	5,989,994	(308,831)	144,000	79,981,654
Business-type Activities Capital Assets, net	\$ 137,512,120	\$ 1,363,595	\$ -	\$ 301,557	\$ 139,177,272

Changes in capital assets for the Urban Renewal Agency for the year ended September 30, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Government-wide Assets:				
Capital Assets, not Being Depreciated				
Land and Buildings	\$ 3,942,322	\$ -	\$ -	\$ 3,942,322
Total Capital Assets, not Being Depreciated	\$ 3,942,322	\$ -	\$ -	\$ 3,942,322

Investments in real estate have not been allocated between land and buildings.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

5. CAPITAL ASSETS - Continued

Depreciation expense was charged to the governmental functions for the City as follows:

General Government	\$	8,737,678
Fire		357,705
Police		240,310
Library		86,447
Culture and Recreation		352,366
Highway and Streets		637,845
Airport		954,763
Pool		45,613
		11,412,727
Depreciation on Capital Assets held by the City's Internal Service Fund		
		10,818
Total Depreciation Expense-Governmental Activities	\$	<u><u>11,423,545</u></u>

6. LONG-TERM LIABILITIES

Long-term liabilities consist of bonds, notes, and other indebtedness including liabilities associated with compensated absences.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized in the period the bonds are issued.

In the fund financial statements, government fund types recognize long-term obligations as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources are reported as a liability of a governmental fund. 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.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

6. LONG-TERM LIABILITIES-Continued

The City Council determined that the best interests of the community would be served with the replacement of two fire stations. One of the fire stations is being financed with general fund reserves. The other is being financed through a lease agreement with Zions Bancorporation, National Association (Zions). Under the terms of the agreement, the City is leasing the fire facility to Zions and Zions is leasing the facility back, with no actual payment due. Additionally, Zions is providing the financing for construction of the fire station through certificates of participation in the amount of \$8,405,000. This lease matures on September 1, 2042. Lease payments, under the agreement, are appropriated annually with no early redemption allowed until the year 2030. The City is waiting on economic and investment factors to determine if early redemptions will be made once available. At this time, no early payments have been made. The lease would end if a payment were not funded. However, it is the intent of the City to fulfil all terms of the agreement. The lease agreement is being represented as a financing arrangement for the fire station costs. During construction, costs were being inventoried as Construction in Process. The asset has been moved to a Right of Use Asset during the current year.

In addition to the lease agreement for the construction and use of the fire station above. The City also agreed with Zions for the lease of a fire pumper truck for \$728,832. The lease term is for five years. Each year's funding needs to be appropriated, or the lease ends. The City again intends to meet all requirements of the lease agreement and is presenting the lease as a financing arrangement, with interest accruing at 1.91%.

In addition to the lease agreement for the construction and use of the fire station above. The City also agreed with Zions for the lease of a fire pumper truck for \$979,238. The lease term is for five years. Each year's funding needs to be appropriated, or the lease ends. The City again intends to meet all requirements of the lease agreement and is presenting the lease as a financing arrangement, with interest accruing at 4.43%.

The City's revenue bonds are with the Idaho Bond Bank Authority. The Authority is a state level entity which lends money to local governments within the state, with the goal of providing funds for their infrastructure needs and access to the capital markets at competitive interest rates. That lending is then pooled and placed with public investors. The Authority is currently rated "Aa1" by Moody's. The rating is based on a pledge of the State of Idaho's sales tax revenues to the repayment of any bonds the Authority has, and reflects the solid, statewide economic base for tax collections.

The City has pledged its water and wastewater revenues to repayment of the bonds with the Authority. If pledged revenues (net of expenditures) during the year are less than 125 percent of required debt service coverage due the following year, then the City is required to increase utility rates or reduce expenses to meet the required level.

Additionally, the bonds between the City and the Authority contain a provision that in the event of a payment default, the State can intercept intergovernmental sales tax revenues, property tax revenues, liquor tax money, or any other source of operating money disbursed by the State to the City.

The City is in compliance with all bond covenants, including continuing reporting disclosures.

A summary of Long-term liabilities for the City for the year ended is as follows. Additional detailed information is available on the following pages.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

6. LONG-TERM LIABILITIES-Continued

	Beginning Balance	Additions	Principal Payments	Amort.	Ending Balance
Governmental Activities:					
Annual Appropriation Certificates of Participation, Series 2022	\$ 8,655,477	\$ -	\$ (270,000)	\$ (25,236)	\$ 8,360,241
Zions Bancorporation-lease	588,529		(142,984)		445,545
Zions Bancorporation-lease	979,238	-	-	-	979,238
Total	<u>\$ 10,223,244</u>	<u>\$ -</u>	<u>\$ (412,984)</u>	<u>\$ (25,236)</u>	<u>\$ 9,785,024</u>
Business-type Activities:					
Idaho Bond Bank Authority, Water Bonds	\$ 882,100		\$ (805,000)	\$ (77,100)	\$ -
Idaho Bond Bank Authority, Parity Lien Revenue	2,541,931		(580,000)	(35,483)	1,926,448
Idaho Bond Bank Authority, Revenue Bonds	27,174,314		(1,870,000)	(104,931)	25,199,383
Total	<u>\$ 30,598,345</u>	<u>\$ -</u>	<u>\$ (3,255,000)</u>	<u>\$ (217,514)</u>	<u>\$ 27,125,831</u>

The following are obligations of the City.

Governmental Activities

Annual Appropriation Certificates of Participation, Series 2022

Payable in semi-annual installments over 20 years with interest rates that varies from 4 to 5%

\$ 7,910,000

Plus: Unamortized Premium

450,241

Total

\$ 8,360,241

Zions Bancorporation

Payable in annual installments over 5 years with interest rates of 1.91%

445,545

Payable in annual installments over 5 years with interest rates of 4.43%

979,238

Total

\$ 9,785,024

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

6. LONG-TERM LIABILITIES-Continued

Business-Type Activities - Revenue Obligations

Following are obligations the City has pledged income derived from the acquired or constructed assets to pay debt service.

Idaho Bond Bank Authority, Parity Lien

Sewer Revenue Refunding Bond, Series 2012B

Payable in semi-annual installments over 15

years with interest rates that varies from 2 to 5% \$ 1,820,000

Plus: Unamortized Premium 106,448

Total 1,926,448

Idaho Bond Bank Authority, Revenue Bonds,

Series 2014

Payable in semi-annual installments over 15

years with interest rates that varies from 2 to 5% 24,255,000

Plus: Unamortized Premium 944,383

Total 25,199,383

Total \$ 27,125,831

The Debt service requirements to maturity are as follows:

September 30,	Governmental Activities:			Business-type Activities:		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 659,843	\$ 418,490	\$ 1,078,333	\$ 2,520,000	\$ 965,125	\$ 3,485,125
2026	682,777	391,307	1,074,084	2,590,000	893,987	3,483,987
2027	711,214	363,120	1,074,334	2,670,000	814,350	3,484,350
2028	590,949	333,660	924,609	2,765,000	716,850	3,481,850
2029	345,000	333,660	678,660	2,875,000	606,250	3,481,250
2030-2034	2,000,000	1,251,750	3,251,750	12,655,000	1,274,650	13,929,650
2035-2039	2,545,000	704,600	3,249,600	-	-	-
2040-2042	1,800,000	146,000	1,946,000	-	-	-
Total	\$ 9,334,783	\$ 3,942,587	\$ 13,277,370	\$ 26,075,000	\$ 5,271,212	\$ 31,346,212

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

6. LONG-TERM LIABILITIES-Continued

Urban Renewal Agency

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 outstanding debt on September 30, 2024 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%.

\$ 8,850,000

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 4.502%. Repayment of the bonds is guaranteed by Chobani Global Holding, Inc.

17,253,000

Total \$ 26,103,000

Expected annual maturities of these obligations are as follows:

September 30,	Principal	Interest	Total
2025	\$ 2,540,000	\$ 1,811,938	\$ 4,351,938
2026	2,627,000	1,631,292	4,258,292
2027	2,718,000	1,443,802	4,161,802
2028	2,819,000	1,249,297	4,068,297
2029	2,915,000	1,046,977	3,961,977
2030-2034	10,649,000	2,158,544	12,807,544
2035-2036	<u>1,835,000</u>	<u>130,350</u>	<u>1,965,350</u>
Total	<u>\$ 26,103,000</u>	<u>\$ 9,472,200</u>	<u>\$ 35,575,200</u>

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, 2024, the Agency was indebted in the amount of \$14,234,032. The agreement states that any existing debt with Chobani Idaho, LLC. by the Agency at the end of the revenue allocation area's life ends without recourse.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

6. LONG-TERM LIABILITIES-Continued

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, 2024, the Agency was indebted in the amount of \$10,234,049. That amount accrues interest at a variable rate, 7.5% on September 30, 2024. Accrued interest at year end totaled \$6,140,230. For several years the Agency has not been able to make any payments on the indebtedness. The agreement states that any existing debt with Clif Bar by the Agency at the end of the revenue allocation area's life ends without recourse.

Changes in Long-Term Debt

During the year ended September 30, 2024, the following changes occurred in liabilities reported as the general long-term debt.

	Beginning Balance	Additions	Principal Payments	Ending Balance
Revenue Allocation Bonds, Series 2013A	\$ 19,222,000	\$ -	\$ (1,969,000)	\$ 17,253,000
Revenue Allocation Bonds, Series 2016	9,575,000	-	(725,000)	8,850,000
Total Revenue Bonds	28,797,000	-	(2,694,000)	26,103,000
Chobani Idaho, LLC-Projects Improvements	14,234,032	-		14,234,032
Clif Bar Development	10,234,049	-	-	10,234,049
Total Agreements	24,468,081	-	-	24,468,081
Total	\$ 53,265,081	\$ -	\$ (2,694,000)	\$ 50,571,081

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 City of Twin Falls, and the Agency shall not be liable thereon.

Changes in accrued compensated absences are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount due Within 1 year
Governmental	\$ 2,575,512	\$ 1,480,320	\$ (1,649,187)	\$ 2,406,645	\$ 1,412,454
Business-type	209,378	235,469	(195,175)	249,672	173,862
Total	\$ 2,784,890	\$ 1,715,789	\$ (1,844,362)	\$ 2,656,317	\$ 1,586,316

For the governmental activities, approximately 95 percent of compensated absences are generally liquidated by the general fund and the remainder by special revenue funds.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

7. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions among funds, including expenditures and transfers of resources primarily to provide services. The Governmental Fund Type and Proprietary Fund Types financial statements generally reflect such transactions as transfers.

All City funds record payments to the Internal Service Funds as operating expenses. The Proprietary Fund Types record operating subsidies as other revenue whereas the fund paying the subsidy records it as either an expenditure or transfer.

Transfers to the General Fund and the Insurance Fund are normally made to provide for administrative services and liability protections. Transfers from the General Fund to the Pool and Fire Works funds are made to cover funding deficits. Operating costs that are common to the public works function are recorded in the Water Fund with the Wastewater Fund and Sanitation Fund generating transfers for their allocated share.

The City has concluded that it should maintain 25% of the annual budgeted base revenues of the ensuing fiscal year in the General Fund, to provide reasonable assurance to purchasers of City debt instruments that the City will pay all general obligations and meet unforeseen emergencies. A policy has been adopted where funds in excess of that 25% are transferred annually to the Capital Improvement Fund, where it will be available for one-time projects recommended by the City Manager and approved by City Council.

Interfund transfers for the year are as follows:

	Transfers to										Total
	General	Street	Airport	Capital Imp.	Fire Works	Water Works	Dierkes	Insurance	Shop Revolving	Pool	
Transfers From											
General	\$ -	\$ -	\$ 6,389	\$ 875,000	\$ 11,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 893,364
Street	354,935	-	-	-	-	-	-	38,263	-	-	393,198
Street Light	29,005	-	-	-	-	-	-	-	-	-	29,005
Airport	428,903	-	-	-	-	-	-	38,263	-	-	467,166
Capital Imp.	-	320,528	-	-	-	-	133,486	-	1,047,533	36,174	1,537,721
Waterworks	1,203,758	119,118	-	-	-	-	-	84,615	-	-	1,407,491
Wastewater	504,941	75,001	-	-	-	264,210	-	233,739	-	-	1,077,891
Common Area	3,631	-	-	-	-	-	-	-	-	-	3,631
Sanitation	212,401	-	-	-	-	264,211	-	9,585	-	-	486,197
Dierkes Lake	12,690	-	-	-	-	-	-	-	-	-	12,690
CBDG	4,564	-	-	-	-	-	-	-	-	-	4,564
Impact Fees	-	-	-	650,100	-	-	-	-	-	-	650,100
Shop	844	-	-	-	-	-	-	-	-	-	844
Insurance	72,514	-	-	-	-	-	-	-	-	-	72,514
Total	\$ 2,828,186	\$ 514,647	\$ 6,389	\$ 1,525,100	\$ 11,975	\$ 528,421	\$ 133,486	\$ 404,465	\$ 1,047,533	\$ 36,174	\$ 7,036,376

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

7. INTERFUND TRANSACTIONS-continued

Interfund transfers for the Urban Renewal Agency are as follows for the year ended September 30, 2024.

	Transfers In	Transfers Out
Redevelopment Funds	\$ -	\$ 4,410,532
Debt Service Funds	<u>4,410,532</u>	<u>-</u>
	<u>\$ 4,410,532</u>	<u>\$ 4,410,532</u>

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There are a few lawsuits and claims pending against the City. The City currently is defending its position through its legal staff, other law firms or its insurance company (if the insurance company acknowledges coverage).

The Insurance fund is budgeted through property tax assessments and transfers from the enterprise funds. The City is insured for all risk through Travelers. There are various annual deductibles based off of type of risk.

The City participates in a number of federal and state assisted grant programs, the principal of which are the Community Development Block Grants, FAA Airport Improvement Program and Local Public Works Programs which have been subjected to financial and compliance audit under Circular A-133. All audits are subject to review by the granting agencies, but the City does not expect any questioned costs as a result of the review.

9. PENSION PLANS

Plan Descriptions

The City contributes to the Base Plan and the Firefighter's Retirement Fund (FRF) plans which are cost-sharing multiple-employer defined benefit pension plans administered by the Public Employee Retirement System of Idaho (PERSI or System). The Base Plan covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The FRF plan covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The costs to administer the plans are financed through the contributions and investment earnings of the plans. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan and FRF plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members for the Base Plan and System members for the FRF Plan with at least ten years of service and three members who are Idaho citizens not members of the Base Plan or System for the FRF plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and the highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

9. PENSION PLANS-Continued

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

The FRF provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have 5 years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan and FRF are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

For the Base Plan, the contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for police and firefighters. The City's contributions were \$3,140,240 for the year ended June 30, 2024.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the Base Plan on September 30, 2024, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. On June 30, 2024, the City's proportion was .005731512 percent.

For the FRF on September 30, 2024, the City reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. On June 30, 2024, the City's proportion was .042227719 percent.

For the year ended September 30, 2024, the City recognized pension expense (revenue) of \$2,563,099 for the Base Plan and (\$606,716) for the FRF Plan for an aggregate total of \$1,956,383. On September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

9. PENSION PLANS-Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
BASE PLAN		
Differences between expected and actual experience	\$ 3,413,374	\$ -
Changes in assumptions or other inputs	849,325	-
Net difference between projected and actual earnings on pension plan investments	(389,164)	-
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	195,794	41,317
The City's contributions subsequent to the measurement date	882,884	-
Total	\$ 4,952,213	\$ 41,317
FRF		
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	341,653	-
Changes in the City's proportion and differences between the City's contributions and the City's proportionate contributions	-	-
The City's contributions subsequent to the measurement date	-	-
Total	\$ 341,653	\$ -

For the Base Plan, \$882,884 was reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined on July 1, 2024, the beginning of the measurement period ended June 30, 2023 is 4.6 and 4.6 years for the measurement period June 30, 2024 for the Base Plan and 1 year for the FRF Plan.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

CITY OF TWIN FALLS, IDAHO*Notes to Financial Statements*

September 30, 2024

9. PENSION PLANS-Continued

Year Ended September 30,

	Base Plan	FRF
2025	\$ 1,097,061	\$ (123,986)
2026	4,044,644	572,109
2027	(654,593)	(104,086)
2029	(459,100)	(2,384)
	\$ 4,028,012	\$ 341,653

Actuarial Assumptions

For the Base Plan, valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

For the Base Plan, the total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of living adjustments	1.00%

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Males Pub – 2010 General Tables, increased 11%
 General Employees and All Beneficiaries – Females Pub – 2010 General Tables, increased 21%
 Teachers – Males Pub – 2010 Teacher Tables, increased 12%
 Teachers – Females Pub – 2010 Teacher Tables, increased 21%
 Fire & Police – Males Pub – 2010 Safety Tables, increased 21%
 Fire & Police – Females Pub – 2010 Safety Tables, increase 26%
 Disabled Members – Males Pub – 2010 Disabled Tables, increased 38%
 Disabled Members – Females Pub – 2010 Disabled Tables, increase 36%

For the FRF Plan, valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. Unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore, there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

9. PENSION PLANS-Continued

For the FRF, the total pension asset in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of living adjustments	3.05%

Contributing Members, Service Retirement Members, and Beneficiaries

Fire & Police – Males Pub – 2010 Safety Tables, increased 21%

Fire & Police – Females Pub – 2010 Safety Tables, increase 26%

Disabled Members – Males Pub – 2010 Disabled Tables, increased 38%

Disabled Members – Females Pub – 2010 Disabled Tables, increase 36%

For the Base Plan, an experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability for the Base Plan as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

For the FRF Plan, an experience study was performed for the period July 1, 2011 through June 30, 2015 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Asset for the FRF Plan as of June 30, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions for the base plan are as of 2024.

CITY OF TWIN FALLS, IDAHO*Notes to Financial Statements*

September 30, 2024

9. PENSION PLANS-Continued**BASE Plan****Capital Market Assumptions 2022**

Asset Class	DB Plans	Sick Leave
Fixed Income	30.00%	50.00%
US/Global Equity	55.00%	39.30%
International Equity	15.00%	10.70%
Cash	0.00%	0.00%
Total	100.00%	100.00%

	Target Allocation	Long-term Expected Rate of Return
FRF Plan		
Asset Class		
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

The discount rate used to measure the total pension liability was 6.35% for the Base Plan and 6.35% for the FRF Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

9. PENSION PLANS-Continued

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
BASE PLAN			
Employer's proportionate share of the net pension liability (asset)	\$ 41,198,036	\$ 21,895,760	\$ 6,130,723
FRF			
Employer's proportionate share of the net pension asset	\$ (9,807,978)	\$ (10,628,552)	\$ (11,346,260)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payable to the pension plan

On September 30, 2024, there were no payables to the defined benefit pension plans for legally required employer contributions or for legally required employee contributions that had been withheld from employee wages but not yet remitted to PERSI.

10. TAX ABATEMENTS

Twin Falls County is authorized by State statute to transact all property tax activity with property owners in the City. The County levy's and collects property taxes, then allocates and remits those collections among the overlapping taxing districts.

The County is authorized to cancel any property taxes due to hardship; or for property that has been damaged by a casualty. Application for relief is made directly to the County Commissioners for their consideration.

CITY OF TWIN FALLS, IDAHO

Notes to Financial Statements

September 30, 2024

10. TAX ABATEMENTS-continued

The County is also authorized under the same statute to offer a property tax reduction program, commonly known as the Circuit Breaker Program, of up to \$1,320. To qualify, the property under consideration must be a home the taxpayer owns and lives in and their total household income, after deducting medical expenses, is \$30,050 or less. They must also meet one of the following as of January 1st of the taxing year:

- Age 65 or older;
- Widow(er);
- Blind;
- Motherless or fatherless child under 18 years of age;
- Former prisoner of war/hostage;
- Recognized disabled by the Social Security Administration, Railroad Retirement Board, or Federal Civil Service;
- Veteran with 10% or more service-connected disability or receiving a pension from Veterans Affairs (VA) for a non-service-connected disability.

Another tax abatement program available to the County relates to investments in new capital within the County. Businesses that invest at least \$3 million in new manufacturing facilities may receive a partial or full property tax exemption for up to 5 years from local county commissioners. Any reduction is at the discretion of the Commissioners.

11. BOND COVENANT COMPLIANCE

The City and Urban Renewal agency are subject to various covenants as a result of the various bonds issued by the City and the Agency. For example, the bonds may require an annual audit, timely payments, an adequate cash reserve in case of late payments, sufficient revenue collections, or notifications of "Listed Events". During the year ended September 30, 2024, the City was in compliance with these covenants. During the year ended September 30, 2024, the Agency was not in compliance with these covenants.

The trustee of the Revenue Allocation Bonds, Series 2013A, notified the Agency that it did not meet the requirement that property tax revenue collected must exceed the debt service payment by 1.25 times. As a result, the trustee will hold back 75% of "Available Pledged Revenue" following the April 1 payment date and it will be applied to the bonds. This process will continue until coverage returns to 1.25x through either increases in tax revenues, decreases to debt service, or both.

12. FUND BALANCE AND NET ASSET DEFICITS

The City did not have any fund deficits as of September 30, 2024, which are significant.

CITY OF TWIN FALLS, IDAHO*Notes to Financial Statements*

September 30, 2024

13. URBAN RENEWAL SUMMARIZED INFORMATION

	Year Ended September 30, 2024
Assets	\$ 9,313,680
Total Assets	<u>\$ 9,313,680</u>
Liabilities & Net Position	
Liabilities	\$ 57,428,012
Net Assets:	
Net Investment in Capital Assets	(46,628,759)
Restricted	5,660,297
Unrestricted	(7,145,870)
Total Liabilities & Net Position	<u>\$ 9,313,680</u>
Revenues	\$ 5,544,641
Expenditures	<u>(3,368,335)</u>
Excess (Deficiency) Revenues over Expenditures	\$ 2,176,306
Net Position - Beginning of Year	<u>(50,290,638)</u>
Net Position - End of Year	<u>\$ (48,114,332)</u>

14. COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

On December 16, 2024, a new revenue allocation area was created by the Urban Renewal Agency, the Southwest Revenue Allocation Area. The Project Area contains approximately 370.75 acres, inclusive of rights-of-way, and is generally located in the south-central part of the City. The Project Area is generally bounded on the east by a major north/south arterial, State Highway 74/Washington Street South, , on the south by North Road, on the west by Grandview Drive, and on the north by portions of South Park Avenue West and Diamond Avenue.

The City and Agency have evaluated subsequent events through February 21, 2025, the date which the financial statements were available to be issued and determined the following disclosures were needed.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TWIN FALLS, IDAHO

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues:					
Property Taxes, Including Penalty and Interest	\$24,393,202	\$24,393,202	\$24,583,031	\$ 189,829	\$22,926,877
Non-property Taxes	515,000	515,000	640,382	125,382	550,290
Fines and Forfeitures	5,000	5,000	22,244	17,244	22,243
Licenses and Permits	1,204,000	1,204,000	1,740,189	536,189	1,165,799
Fees and Services	1,448,249	1,448,249	1,664,745	216,496	1,443,814
Intergovernmental	3,893,690	3,893,690	3,874,094	(19,596)	4,121,321
Federal Grants	262,309	262,309	498,742	236,433	8,544,326
Interest, Dividends & Changes in Market Value	303,854	303,854	959,408	655,554	363,497
Miscellaneous	894,302	894,302	1,386,464	492,162	1,123,797
Total Revenues	32,919,606	32,919,606	35,369,299	2,449,693	40,261,964
Expenditures:					
Current					
Data Processing	3,134,021	3,134,021	2,763,465	370,556	2,688,381
Council	148,877	148,877	154,059	(5,182)	155,696
Manager	1,455,460	1,455,460	1,405,735	49,725	1,215,740
Finance	834,166	834,166	764,733	69,433	828,168
Attorney	710,444	710,444	567,183	143,261	687,872
Personnel	725,041	725,041	661,252	63,789	659,961
Janitorial	188,414	188,414	140,110	48,304	153,113
Total General Government	7,196,423	7,196,423	6,456,537	739,886	6,388,931
Police	14,324,493	14,324,493	13,961,883	362,610	12,787,744
Fire	6,891,542	6,891,542	6,931,993	(40,451)	6,270,825
Inspection	983,544	983,544	947,439	36,105	914,625
Animal Control	603,747	603,747	557,432	46,315	586,171
Total Public Safety	22,803,326	22,803,326	22,398,747	404,579	20,559,365
Engineering	1,789,297	1,789,297	1,688,859	100,438	1,412,545
Planning and Zoning	899,004	899,004	924,040	(25,036)	774,565
Economic Development	340,921	340,921	316,884	24,037	322,894
Total Community Development	1,239,925	1,239,925	1,240,924	(999)	1,097,459
Parks	1,891,204	1,891,204	1,924,888	(33,684)	1,800,009
Recreation	874,689	874,689	872,045	2,644	767,791
Total Culture and Recreation	2,765,893	2,765,893	2,796,933	(31,040)	2,567,800
Total Expenditures	35,794,864	35,794,864	34,582,000	1,212,864	32,026,100
Excess (Deficiency) of Revenue Over Expenditures	(2,875,258)	(2,875,258)	787,299	3,662,557	8,235,864
Other Financing Sources (Uses)					
Transfers In	2,893,622	2,893,622	2,828,186	(65,436)	2,758,262
Transfers Out	(18,364)	(18,364)	(893,364)	(875,000)	(12,223,774)
Total Other Financing Sources (Uses)	2,875,258	2,875,258	1,934,822	(940,436)	(9,465,512)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	2,722,121	\$ 2,722,121	\$ (1,229,648)
Fund Balance, October 1st,			9,731,481		10,961,129
Fund Balance, September 30th			\$ 12,453,602		\$ 9,731,481

See accompanying notes to required supplementary information.

CITY OF TWIN FALLS, IDAHO
Special Revenue - Street Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues:					
Property Taxes	\$ 1,187,024	\$ 1,187,024	\$ 1,194,036	\$ 7,012	\$ 840,614
Intergovernmental	4,295,000	4,295,000	6,685,358	2,390,358	5,030,249
Grants	60,000	587,030	534,521	(52,509)	421,142
Interest, Dividends & Changes in Market Value	121,619	121,619	1,670,532	1,548,913	80,814
Miscellaneous	1,222,750	1,222,750	1,541,510	318,760	1,432,261
Total Revenues	<u>6,886,393</u>	<u>7,413,423</u>	<u>11,625,957</u>	<u>4,212,534</u>	<u>7,805,080</u>
Expenditures:					
Current					
Highways and Streets	3,432,629	3,584,418	2,763,575	820,843	3,834,533
Capital Outlay	3,179,684	4,315,871	3,586,000	729,871	1,941,815
Total Expenditures	<u>6,612,313</u>	<u>7,900,289</u>	<u>6,349,575</u>	<u>1,550,714</u>	<u>5,776,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	274,080	(486,866)	5,276,382	5,763,248	2,028,732
Other Financing Sources (Uses)					
Transfers In	119,119	247,919	514,647	(266,728)	798,100
Transfers Out	(393,199)	(393,199)	(393,199)	-	(380,362)
Total Other Sources (Uses)	<u>(274,080)</u>	<u>(145,280)</u>	<u>121,448</u>	<u>(266,728)</u>	<u>417,738</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ (632,146)</u>	5,397,830	<u>\$ 6,029,976</u>	2,446,470
Fund Balances, October 1st			<u>9,782,848</u>		<u>7,336,378</u>
Fund Balances, September 30th			<u>\$ 15,180,678</u>		<u>\$ 9,782,848</u>

See accompanying notes to required supplementary information.

CITY OF TWIN FALLS, IDAHO
Special Revenue - Airport Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024			Variance	2023
	Proposed Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Property Taxes	\$ 456,831	\$ 456,831	\$ 457,213	\$ 382	\$ 427,263
Fees and Services	645,375	645,375	821,847	176,472	626,678
Intergovernmental	456,831	456,831	456,831	-	426,945
Grants	-	-	44,039	44,039	425,339
Interest, Dividends & Changes in Market Value	55,377	55,377	170,724	115,347	43,130
Farm Income	63,697	63,697	71,088	7,391	63,634
Miscellaneous	-	-	3,874	3,874	32,682
Total Revenues	<u>1,678,111</u>	<u>1,678,111</u>	<u>2,025,616</u>	<u>347,505</u>	<u>2,045,671</u>
Expenditures:					
Current					
Airport	<u>1,574,148</u>	<u>2,172,620</u>	<u>2,125,222</u>	<u>47,398</u>	<u>1,812,111</u>
Total Expenditures	<u>1,574,148</u>	<u>2,172,620</u>	<u>2,125,222</u>	<u>47,398</u>	<u>1,812,111</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,963	(494,509)	(99,606)	394,903	233,560
Other Financing Sources (Uses)					
Transfers In	6,389	6,389	6,389	-	6,085
Transfers Out	<u>(467,166)</u>	<u>(467,166)</u>	<u>(467,166)</u>	-	<u>(631,630)</u>
Total Other Sources (Uses)	<u>(460,777)</u>	<u>(460,777)</u>	<u>(460,777)</u>	-	<u>(625,545)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (356,814)</u>	<u>\$ (955,286)</u>	(560,383)	<u>\$ 394,903</u>	(391,985)
Fund Balances, October 1st			<u>4,098,048</u>		<u>4,490,033</u>
Fund Balances, September 30th			<u>\$ 3,537,665</u>		<u>\$ 4,098,048</u>

See accompanying notes to required supplementary information.

CITY OF TWIN FALLS, IDAHO

Schedule of Employer's Share of Net Pension Asset/Liability

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's portion of the net pension (asset) liability	.005731512	.005701241	.005831701	.005857242	.006008378	.006125586	.005940511	.005813347	.005422236	.005566001
City's proportionate share of the net pension (asset) liability	\$21,895,761	\$23,473,505	\$22,867,124	\$ (406,916)	\$13,468,446	\$ 6,116,243	\$ 7,955,648	\$ 8,356,557	\$11,008,731	\$ 7,114,158
City's covered payroll	\$25,886,542	\$23,900,808	\$22,761,735	\$21,589,895	\$21,171,721	\$20,550,187	\$18,865,104	\$17,837,788	\$15,786,995	\$15,164,698
City's proportional share of the net pension liability as a percentage of its covered-employee payroll	84.58%	98.21%	100.46%	-1.88%	63.62%	29.76%	42.17%	46.85%	69.73%	46.91%
Plan fiduciary net position as a percentage of the total pension liability	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	94.95%

Schedule of Employer's Share of Net Pension Asset
FRF
Last 10 - Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's portion of the net pension asset	.042227719	.042227719	.042227719	.042227719	.042227719	.042011350	.038550585	.036537638	.040605333	.038831200
City's proportionate share of the net pension asset	\$10,628,552	\$ 9,982,749	\$ 8,668,968	\$11,411,063	\$ 6,256,568	\$ 5,647,629	\$ 4,190,076	\$ 3,353,402	\$ 2,086,650	\$ 1,947,697
City's covered payroll	\$ 4,233,362	\$ 3,876,509	\$ 3,772,373	\$ 3,505,708	\$ 3,252,302	\$ 3,299,502	\$ 2,899,425	\$ 2,646,204	\$ 2,524,390	\$ 2,306,028
City's proportional share of the net pension asset as a percentage of its covered-employee payroll	251.07%	257.52%	229.80%	325.50%	192.37%	171.17%	144.51%	126.72%	82.66%	84.46%
Plan fiduciary net position as a percentage of the total pension asset	207.66%	200.58%	184.72%	211.83%	155.55%	152.74%	140.15%	129.65%	118.42%	112.01%

Data reported is measured as of June 30 (measurement date).

CITY OF TWIN FALLS, IDAHO
Schedule of Employer's Contributions
PERSI - Base Plan and FRF

Schedule of Employer Contributions

Base Plan

Last 10 - Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 3,244,668	\$ 2,963,452	\$ 2,773,662	\$ 2,695,296	\$ 2,532,527	\$ 2,420,702	\$ 2,197,901	\$ 2,040,589	\$ 1,813,839	\$ 1,729,630
Contribution in relation to the statutorily required contribution	3,244,668	2,963,452	2,773,662	2,695,296	2,532,527	2,420,702	2,197,901	2,040,589	1,813,839	1,729,630
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 26,301,782	\$ 24,473,754	\$ 22,948,042	\$ 22,302,258	\$ 21,291,447	\$ 20,875,898	\$ 19,123,237	\$ 17,772,209	\$ 15,594,399	\$ 15,449,357
Contributions as a percentage of covered-employee payroll	12.34%	12.11%	12.09%	12.09%	11.89%	11.60%	11.49%	11.48%	11.63%	11.20%

Schedule of Employer Contributions

FRF

Last 10 - Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ 158,979	\$ 170,631	\$ 150,607	\$ 137,351	\$ 137,818	\$ 138,382
Contribution in relation to the statutorily required contribution	-	-	-	-	158,979	170,631	150,607	137,351	137,818	138,382
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 4,311,534	\$ 4,011,738	\$ 3,814,149	\$ 3,505,708	\$ 3,324,570	\$ 3,352,786	\$ 3,000,975	\$ 2,710,218	\$ 2,508,735	\$ 2,296,724
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	4.78%	5.09%	5.02%	5.07%	5.49%	6.03%

Data reported is measured as of September 30.

See accompanying notes to required supplementary information.

CITY OF TWIN FALLS, IDAHO
Notes to Required Supplementary Information
September 30, 2024

NOTE 1- BUDGETARY INFORMATION

Budgetary-GAAP Reporting Reconciliation

The accompanying Budgetary Comparison Schedules compare the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on the budgetary basis do not differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP).

Budgetary Policies

The City of Twin Falls, Idaho, prepares an annual budget of revenue and expenditures prior to the beginning of the fiscal year. The budget is prepared on the modified accrual basis of accounting. Budget figures are based on prior levels of revenue and expenditures taking into account specific items which may be planned in advance by the City such as capital outlay expenditures. Any excess of budgeted expenditures over budgeted revenues are temporary situations and are budgeted so as to utilize cash balances in the individual fund.

SUPPLEMENTARY INFORMATION

CITY OF TWIN FALLS, IDAHO

Combining Statement - Other Governmental Funds

Fund Balance Sheets

September 30, 2024

	Special Revenue Funds						Capital Projects Fund					Total Other Government Funds
	Street Light	Library	Pool	Drug Seizure	Fireworks	Total	Historic Preservation	Park Develop.	Impact Fee	CDBG	Total	
Assets												
Cash and Investments	\$ 564,373	\$ 1,353,416	\$ -	\$ 313,512	\$ -	\$ 2,231,301	\$ -	\$ 1,009,840	\$ 9,513,762	\$ 207	\$ 10,523,809	\$ 12,755,110
Receivables (net of allowance)												
Taxes	1,401	-	-	-	-	1,401	-	-	-	-	-	1,401
Intergovernmental	134	4,611	155,576	-	2,198	162,519	-	-	-	-	-	162,519
Accounts	3,095	-	7,101	-	-	10,196	-	-	-	-	-	10,196
Total Assets	<u>\$ 569,003</u>	<u>\$ 1,358,027</u>	<u>\$ 162,677</u>	<u>\$ 313,512</u>	<u>\$ 2,198</u>	<u>\$ 2,405,417</u>	<u>\$ -</u>	<u>\$ 1,009,840</u>	<u>\$ 9,513,762</u>	<u>\$ 207</u>	<u>\$ 10,523,809</u>	<u>\$ 12,929,226</u>
Liabilities												
Pooled Cash	\$ -	\$ -	\$ 129,828	\$ -	\$ 5,926	\$ 135,754	\$ 3,745	\$ -	\$ -	\$ -	\$ 3,745	\$ 139,499
Accounts Payable	30,683	16,818	19,446	659	-	67,606	-	-	16,580	-	16,580	84,186
Total Liabilities	<u>30,683</u>	<u>16,818</u>	<u>149,274</u>	<u>659</u>	<u>5,926</u>	<u>203,360</u>	<u>3,745</u>	<u>-</u>	<u>16,580</u>	<u>-</u>	<u>20,325</u>	<u>223,685</u>
Deferred Inflows of Resources												
Unavailable Revenue - Property Taxes	1,251	-	-	-	-	1,251	-	-	-	-	-	1,251
Total Deferred Inflows of Resources	<u>1,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,251</u>
Fund Balance												
Nonspendable Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-	-	-	-	-	-
Park Development	-	-	-	-	-	-	-	1,009,840	-	-	1,009,840	1,009,840
Committed Fund Balance												
Budgeted Surpluses	-	146,000	-	78,303	-	224,303	-	-	651,600	-	651,600	875,903
Park Development	-	-	-	-	-	-	-	-	-	-	-	-
Trail Fund	-	-	-	-	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-	8,845,582	207	8,845,789	8,845,789
Drug Seizure	-	-	-	234,550	-	234,550	-	-	-	-	-	234,550
Assigned Fund Balance												
Street Light	537,069	-	-	-	-	537,069	-	-	-	-	-	537,069
Community Services-Library	-	1,195,209	-	-	-	1,195,209	-	-	-	-	-	1,195,209
Unassigned Fund Balance	-	-	13,403	-	(3,728)	9,675	(3,745)	-	-	-	(3,745)	5,930
Total Fund Balance	<u>537,069</u>	<u>1,341,209</u>	<u>13,403</u>	<u>312,853</u>	<u>(3,728)</u>	<u>2,200,806</u>	<u>(3,745)</u>	<u>1,009,840</u>	<u>9,497,182</u>	<u>207</u>	<u>10,503,484</u>	<u>12,704,290</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 569,003</u>	<u>\$ 1,358,027</u>	<u>\$ 162,677</u>	<u>\$ 313,512</u>	<u>\$ 2,198</u>	<u>\$ 2,405,417</u>	<u>\$ -</u>	<u>\$ 1,009,840</u>	<u>\$ 9,513,762</u>	<u>\$ 207</u>	<u>\$ 10,523,809</u>	<u>\$ 12,929,226</u>

CITY OF TWIN FALLS, IDAHO
Combining Statement - Other Governmental Funds
Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2024

	Special Revenue Funds						Capital Projects Fund					Total Other Government Funds
	Street Light	Library	Pool	Drug Seizure	Fireworks	Total	Historic Preservation	Park Develop.	Impact Fee	CDBG	Total	
Revenues												
Property Taxes, Including Interest	\$ 62,313	\$ 2,072,048	\$ -	\$ -	\$ -	\$ 2,134,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,134,361
Other Taxes	506,717	-	-	-	-	506,717	-	-	-	-	-	506,717
Special Assessments, Including Interest	-	-	-	61,067	-	61,067	-	-	-	-	-	61,067
Fines and Forfeitures	-	16,971	-	-	-	16,971	-	-	-	-	-	16,971
Fees and Services	-	31,348	399,433	-	1,342	432,123	-	-	2,599,538	-	2,599,538	3,031,661
Intergovernmental	-	-	567,226	-	8,013	575,239	-	-	-	-	-	575,239
Federal Grants	-	-	-	-	-	-	-	-	-	4,564	4,564	4,564
Interest, Dividends & Changes in Fair Value	-	111,554	-	-	-	111,554	-	76,878	685,707	-	762,585	874,139
Miscellaneous	21,821	82,802	204	-	995	105,822	-	-	-	-	-	105,822
Total Revenue	590,851	2,314,723	966,863	61,067	10,350	3,943,854	-	76,878	3,285,245	4,564	3,366,687	7,310,541
Expenditures												
Current												
Public Safety	-	-	-	52,389	-	52,389	-	-	-	-	-	52,389
Community Development	-	-	-	-	22,000	22,000	-	-	-	-	-	22,000
Culture and Recreation	-	2,112,736	723,915	-	-	2,836,651	-	-	-	-	-	2,836,651
Highway and Streets	463,538	-	-	-	-	463,538	-	-	-	-	-	463,538
Capital Outlay	-	220,294	263,827	-	-	484,121	-	-	58,473	-	58,473	542,594
Total Expenditures	463,538	2,333,030	987,742	52,389	22,000	3,858,699	-	-	58,473	-	58,473	3,917,172
Excess of Revenues Over (Under) Expenditures	127,313	(18,307)	(20,879)	8,678	(11,650)	85,155	-	76,878	3,226,772	4,564	3,308,214	3,393,369
Other Financing Sources (Uses)												
Transfers In	-	-	36,174	-	11,975	48,149	-	-	-	-	-	48,149
Transfers Out	(29,005)	-	-	-	-	(29,005)	-	-	(650,100)	(4,564)	(654,664)	(683,669)
Net Transfers	(29,005)	-	36,174	-	11,975	19,144	-	-	(650,100)	(4,564)	(654,664)	(635,520)
Net Change in Fund Balance	98,308	(18,307)	15,295	8,678	325	104,299	-	76,878	2,576,672	-	2,653,550	2,757,849
Fund Balance October 1, 2023	438,761	1,359,516	(1,892)	304,175	(4,053)	2,096,507	(3,745)	932,962	6,920,510	207	7,849,934	9,946,441
Fund Balance September 30, 2024	<u>\$ 537,069</u>	<u>\$ 1,341,209</u>	<u>\$ 13,403</u>	<u>\$ 312,853</u>	<u>\$ (3,728)</u>	<u>\$ 2,200,806</u>	<u>\$ (3,745)</u>	<u>\$ 1,009,840</u>	<u>\$ 9,497,182</u>	<u>\$ 207</u>	<u>\$ 10,503,484</u>	<u>\$ 12,704,290</u>

CITY OF TWIN FALLS, IDAHO
Combining Statement - Proprietary Funds
Fund Balance Sheets
September 30, 2024

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Total
<u>Assets</u>			
Current Assets			
Cash and Investments	\$ 2,463,301	\$ 63,729	\$ 2,527,030
Receivables, net of allowance for uncollectibles			
Fees and Services	-	5,538	5,538
Accounts	1,682	-	1,682
Total Current Assets	<u>2,464,983</u>	<u>69,267</u>	<u>2,534,250</u>
Noncurrent Assets			
Capital Assets (Net of Accum. Depreciation)	1,349,609	-	1,349,609
Total Noncurrent Assets	<u>1,349,609</u>	<u>-</u>	<u>1,349,609</u>
Total Assets	3,814,592	69,267	3,883,859
<u>Deferred Outflows of Resources</u>			
Pension Obligations	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,814,592</u>	<u>\$ 69,267</u>	<u>\$ 3,883,859</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 83,468	\$ 16,696	\$ 100,164
Total Current Liabilities	<u>83,468</u>	<u>16,696</u>	<u>100,164</u>
Total Liabilities	83,468	16,696	100,164
<u>Deferred Inflows of Resources</u>			
Pension Obligations	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Position</u>			
Invested In Capital Assets, net of related debt	1,349,609	-	1,349,609
Restricted	-	-	-
Unrestricted	2,381,515	52,571	2,434,086
Total Equity	<u>3,731,124</u>	<u>52,571</u>	<u>3,783,695</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,814,592</u>	<u>\$ 69,267</u>	<u>\$ 3,883,859</u>

CITY OF TWIN FALLS, IDAHO
Combining Statement - Proprietary Funds
Statements of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2024

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Totals
Operating Revenues:			
Charges for Services	\$ 537,177	\$ 75,812	\$ 612,989
Miscellaneous	9,130	-	9,130
Total Operating Revenues	546,307	75,812	622,119
Operating Expenses:			
Contracted Services	81,588	57,352	138,940
Personnel Expenses	81,762	-	81,762
Depreciation and Amortization	58,519	-	58,519
Utilities	4,800	3,953	8,753
Supplies	9,241	-	9,241
Repairs and Maintenance	2,143	1,439	3,582
Vehicle Expenses	2,069	-	2,069
Small Equipment	29,937	-	29,937
Miscellaneous Expense	9,643	215	9,858
Total Operating Expenses	279,702	62,959	342,661
Operating Income (Loss)	266,605	12,853	279,458
Non-Operating Revenues (Expenses):			
Interest, Dividends & Changes in Fair Value	171,112	-	171,112
Loss on Transfer of Assets	9,964	-	9,964
Total Non-Operating Revenues (Exp.)	181,076	-	181,076
Income (Loss) Before Contributions and Transfers	447,681	12,853	460,534
Contributions and Interfund Transfers:			
Transfers In	133,486	-	133,486
Transfers Out	(12,690)	(3,631)	(16,321)
Net Transfers	120,796	(3,631)	117,165
Net Income (Loss)	568,477	9,222	577,699
Total Net Position, October 1, 2023	3,162,647	43,349	3,205,996
Total Net Position, September 30, 2024	\$ 3,731,124	\$ 52,571	\$ 3,783,695

City of Twin Falls, Idaho
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2024

	Business-Type Activities		
	Dierkes Lake Shoshone Falls	Common Area Maintenance	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 536,889	\$ 81,161	\$ 618,050
Payments to Suppliers	(325,271)	(68,444)	(393,715)
Payments to Employees	(81,762)	-	(81,762)
Other Receipts (Payments)	9,130	-	9,130
Net Cash Provided (Used) by Operating Activities	138,986	12,717	151,703
Cash Flows from Non-Capital Financing Activities			
Interfund Transfers to Other Funds	(12,690)	(3,631)	(16,321)
Transfers from Other Funds	133,486	-	133,486
Net Cash Provided (Used) by Non-Capital Financing Activities	120,796	(3,631)	117,165
Cash Flows from Capital and Related Financing Activities			
Construction in Progress	(137,630)	-	(137,630)
Net Cash Provided (Used) by Capital and Related Financing Activities	(181,486)	-	(181,486)
Cash Flows from Investing Activities			
Interest, Dividends & Changes in Fair Value	171,112	-	171,112
Net Cash Provided (Used) by Investing Activities	(315,181)	-	(315,181)
Net Increase (Decrease) in Cash and Cash Equivalents	(236,885)	9,086	(227,799)
Balances - Beginning of the Year	473,185	54,643	527,828
Balances - End of the Year	\$ 236,300	\$ 63,729	\$ 300,029
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ 266,605	\$ 12,853	\$ 279,458
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	58,519	-	58,519
Change in Assets and Liabilities:			
Receivables, Net	(288)	5,349	5,061
Accounts Payable	(185,850)	(5,485)	(191,335)
Net Cash Provided (Used) by Operating Activities	\$ 138,986	\$ 12,717	\$ 151,703
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds			
Cash and Investments-Statement of Net Position	\$ 2,463,301	\$ 63,729	\$ 2,527,030
Less: Investments	(2,227,001)	-	(2,227,001)
Cash and Cash Equivalents	\$ 236,300	\$ 63,729	\$ 300,029

CITY OF TWIN FALLS, IDAHO
Combining Statement - Internal Service Funds
Statement of Net Position
September 30, 2024

	Governmental Activities - Internal Service Funds		
	Shop		
	Insurance	Revolving	Total
<u>Assets</u>			
Current Assets:			
Cash and Investments	\$ 283,957	\$ 375,794	\$ 659,751
Receivables, net of allowance for uncollectibles			
Taxes	4,633	-	4,633
Intergovernmental	471	-	471
Accounts	19,460	688	20,148
Total Current Assets	308,521	376,482	685,003
Noncurrent Assets:			
Capital Assets (Net of Accum. Depreciation)	-	205,731	205,731
Total Noncurrent Assets	-	205,731	205,731
Total Assets	\$ 308,521	\$ 582,213	\$ 890,734
<u>Liabilities and Net Position</u>			
Current Liabilities:			
Accounts Payable	\$ 40,227	\$ -	\$ 40,227
Accrued Expenses	-	163	163
Unavailable Revenues-Property Taxes	4,209	-	4,209
Unavailable Revenues-Other	36,643	-	36,643
Compensated Absences	-	17,849	17,849
Total Current Liabilities	81,079	18,012	99,091
NonCurrent Liabilities:			
Compensated Absences	-	3,496	3,496
Total Non-Current Liabilities	-	3,496	3,496
Total Liabilities	81,079	21,508	102,587
<u>Net Position</u>			
Net Investment in Capital Assets	-	205,731	205,731
Restricted	-	-	-
Unrestricted	227,442	354,974	582,416
Total Net Position	227,442	560,705	788,147
Total Liabilities and Net Position	\$ 308,521	\$ 582,213	\$ 890,734

CITY OF TWIN FALLS, IDAHO
Combining Statement - Internal Service Funds
Statements of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended September 30, 2024

	Governmental Activities - Internal Service Funds		
	Shop		
	Insurance	Revolving	Total
Operating Revenues:			
Charges for Services	\$ -	\$ 594,556	\$ 594,556
Special Assessments, Including Interest	244,616	-	244,616
Total Operating Revenues	244,616	594,556	839,172
Operating Expenses:			
Contracted Services	-	7,138	7,138
Personnel Expenses	-	493,998	493,998
Depreciation and Amortization	-	10,818	10,818
Utilities	-	12,310	12,310
Supplies	-	41,904	41,904
Insurance	611,052	-	611,052
Repairs and Maintenance	-	11,896	11,896
Vehicle Expenses	-	1,809	1,809
Small Equipment	-	1,049,403	1,049,403
Miscellaneous Expense	895	-	895
Travel and Meetings	2,411	4,053	6,464
Total Operating Expenses	614,358	1,633,329	2,247,687
Operating Income (Loss)	(369,742)	(1,038,773)	(1,408,515)
Non-Operating Revenues (Expenses):			
Interest, Dividends & Changes in Fair Value	15,440	-	15,440
Total Non-Operating Revenues (Exp.)	15,440	-	15,440
Income (Loss) Before Operating Transfers	(354,302)	(1,038,773)	(1,393,075)
Operating Transfers:			
Operating Transfers In	404,465	1,047,533	1,451,998
Operating Transfers Out	(72,514)	(844)	(73,358)
Net Transfers	331,951	1,046,689	1,378,640
Net Income (Loss)	(22,351)	7,916	(14,435)
Total Net Position, October 1, 2023	249,793	552,789	802,582
Total Net Position, September 30, 2024	\$ 227,442	\$ 560,705	\$ 788,147

CITY OF TWIN FALLS, IDAHO
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended September 30, 2024

	Governmental Activities		
	Insurance	Shop Revolving	Total
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	\$ -	\$ 592,487	\$ 592,487
Property Taxes, Including Interest	302,556	-	302,556
Payments to Suppliers	(590,957)	(1,153,982)	(1,744,939)
Payments to Employees	-	(491,056)	(491,056)
Net Cash Provided (Used) by Operating Activities	(288,401)	(1,052,551)	(1,340,952)
Cash Flows from Non-Capital Financing Activities			
Interfund Transfers to Other Funds	(72,514)	(844)	(73,358)
Transfers from Other Funds	404,465	1,047,533	1,451,998
Net Cash Provided (Used) by Non-Capital Financing Activities	331,951	1,046,689	1,378,640
Cash Flows from Capital and Related Financing Activities			
Disposals, Transfers of Capital Assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Interest, Dividends & Changes in Fair Value	15,440	-	15,440
Net Cash Provided (Used) by Investing Activities	(48,702)	-	(48,702)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,152)	(5,862)	(11,014)
Balances - Beginning of the Year	(4,634)	381,656	377,022
Balances - End of the Year	\$ (9,786)	\$ 375,794	\$ 366,008
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (369,742)	\$ (1,038,773)	\$ (1,408,515)
Adjustments to Reconcile Operating Income to net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	10,818	10,818
Change in Assets and Liabilities:			
Receivables, Net	21,613	(2,069)	19,544
Accounts Payable	23,401	(25,373)	(1,972)
Unavailable Revenue	36,327	-	36,327
Compensated Absences	-	2,942	2,942
Net Cash Provided (Used) by Operating Activities	\$ (288,401)	\$ (1,052,551)	\$ (1,340,952)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position-Proprietary Funds			
Cash and Investments-Statement of Net Position	\$ 283,957	\$ 375,794	\$ 659,751
Less: Investments	(293,743)	-	(293,743)
Cash and Cash Equivalents	\$ (9,786)	\$ 375,794	\$ 366,008

CITY OF TWIN FALLS, IDAHO

Capital Projects - Capital Improvement Fund

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues:					
Property Taxes	\$ 1,103,222	\$ 1,103,222	\$ 1,110,286	\$ 7,064	\$ 780,376
Intergovernmental	2,158,442	2,158,442	2,167,592	9,150	2,150,223
Federal Grants	1,329,619	2,137,623	2,300,237	162,614	1,069,332
Interest, Dividends & Changes in Fair Value	213,764	213,764	1,804,657	1,590,893	241,400
Miscellaneous or Reserves	-	-	250,395	250,395	58,397
Total Revenues	<u>4,805,047</u>	<u>5,613,051</u>	<u>7,633,167</u>	<u>2,020,116</u>	<u>4,299,728</u>
Expenditures:					
Current					
General Government	560,260	560,260	403,573	156,687	224,749
Public Safety	1,648,952	6,063,207	5,709,222	353,985	11,534,760
Culture and Recreation	806,967	1,013,386	816,037	197,349	518,765
Highways and Streets	28,000	28,000	30,512	(2,512)	12,059
Capital Outlay	<u>4,293,428</u>	<u>4,982,107</u>	<u>4,780,970</u>	<u>201,137</u>	<u>968,792</u>
Total Expenditures	<u>7,337,607</u>	<u>12,646,960</u>	<u>11,740,314</u>	<u>906,646</u>	<u>13,259,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,532,560)	(7,033,909)	(4,107,147)	2,926,762	(8,959,397)
Other Financing Sources (Uses)					
Transfers In	650,100	650,100	1,525,100	875,000	13,526,920
Transfers Out	(4,101,500)	(3,861,300)	(1,537,722)	2,323,578	(841,425)
Issuance of Debt	-	691,041	695,140	4,099	5,796,048
Total Other Sources (Uses)	<u>(3,451,400)</u>	<u>(2,520,159)</u>	<u>682,518</u>	<u>3,202,677</u>	<u>18,481,543</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (5,983,960)</u>	<u>\$ (9,554,068)</u>	(3,424,629)	<u>\$ 6,129,439</u>	9,522,146
Fund Balances, October 1st			<u>25,233,452</u>		<u>15,711,306</u>
Fund Balances, September 30th			<u>\$ 21,808,823</u>		<u>\$ 25,233,452</u>

CITY OF TWIN FALLS, IDAHO
Capital Projects - Airport Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues:					
Fees and Services	\$ 67,000	\$ 67,000	\$ 122,219	\$ 55,219	\$ 74,459
Federal Grants	3,300,000	3,300,000	1,457,437	(1,842,563)	1,154,358
Interest, Dividends & Changes in Market Value	750	750	19,383	18,633	10,095
Total Revenues	<u>3,367,750</u>	<u>3,367,750</u>	<u>1,599,039</u>	<u>(1,768,711)</u>	<u>1,238,912</u>
Expenditures:					
Current					
Airport	<u>3,300,000</u>	<u>3,300,000</u>	<u>2,433,449</u>	<u>866,551</u>	<u>1,076,237</u>
Total Expenditures	<u>3,300,000</u>	<u>3,300,000</u>	<u>2,433,449</u>	<u>866,551</u>	<u>1,076,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,750	67,750	(834,410)	(902,160)	162,675
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	179,489
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,489</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ 67,750</u>	<u>\$ 67,750</u>	(834,410)	<u>\$ (902,160)</u>	342,164
Fund Balances, October 1st			<u>103,764</u>		<u>(238,400)</u>
Fund Balances, September 30th			<u>\$ (730,646)</u>		<u>\$ 103,764</u>

CITY OF TWIN FALLS, IDAHO
Enterprise - Waterworks Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Operating Revenues:					
Charges for Services	\$ 12,527,725	\$ 12,527,725	\$ 12,656,691	\$ 128,966	\$ 12,035,516
Taps, Connection and Other Fees	150,000	150,000	241,651	91,651	153,012
Miscellaneous	35,000	35,000	53,159	18,159	109,063
Total Operating Revenues	<u>12,712,725</u>	<u>12,712,725</u>	<u>12,951,501</u>	<u>238,776</u>	<u>12,297,591</u>
Operating Expenses:					
Contracted Expenses	427,540	427,540	313,335	114,205	270,013
Personnel Expenses	3,100,876	3,100,876	3,277,938	(177,062)	2,812,911
Depreciation and Amortization	-	-	2,062,396	(2,062,396)	1,926,041
Utilities	1,466,800	1,466,800	1,266,725	200,075	1,213,862
Supplies	809,450	809,450	748,876	60,574	376,292
Repairs and Maintenance	192,000	192,000	218,700	(26,700)	185,477
Vehicle Expense	222,702	222,702	207,523	15,179	210,999
Capital & Equipment	6,369,773	7,119,773	787,511	6,332,262	1,697,565
Studies and Projects	34,000	34,000	32,088	1,912	32,493
Rental Expense	167,500	167,500	177,667	(10,167)	157,219
Miscellaneous Expenses	257,850	257,850	238,310	19,540	211,316
Testing and Monitoring	93,750	93,750	91,366	2,384	97,358
Travel and Meetings	6,500	6,500	9,518	(3,018)	12,250
Total Operating Expenses	<u>13,148,741</u>	<u>13,898,741</u>	<u>9,431,953</u>	<u>4,466,788</u>	<u>9,203,796</u>
Operating Income (Loss)	(436,016)	(1,186,016)	3,519,548	4,705,564	3,093,795
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	215,720	215,720	1,777,402	1,561,682	171,599
Rent and Royalties	100,000	100,000	119,630	19,630	101,256
Federal Grants	-	-	-	-	114,975
Debt Principal Payments	(805,000)	(805,000)	-	805,000	-
Gain (Loss) on Sale of Assets	-	-	167,603	167,603	44,853
Interest Expense	(40,250)	(40,250)	(38,596)	1,654	(76,928)
Total Non-operating Revenues (Exp.)	<u>(529,530)</u>	<u>(529,530)</u>	<u>2,026,039</u>	<u>2,555,569</u>	<u>355,755</u>
Income (Loss) Before Operating Transfers	(965,546)	(1,715,546)	5,545,587	7,261,133	3,449,550
Interfund Transfers and Donations:					
Transfers In	528,421	528,421	528,421	-	466,352
Transfers Out	(1,407,491)	(1,407,491)	(1,407,491)	-	(1,351,469)
Net Transfers and Donations	<u>(879,070)</u>	<u>(879,070)</u>	<u>(879,070)</u>	<u>-</u>	<u>(885,117)</u>
Net Income (Loss)	<u>\$ (1,844,616)</u>	<u>\$ (2,594,616)</u>	4,666,517	<u>\$ 7,261,133</u>	2,564,433
Net Position, October 1st,			<u>68,985,631</u>		<u>66,421,198</u>
Net Position, September 30th			<u>\$ 73,652,148</u>		<u>\$ 68,985,631</u>

CITY OF TWIN FALLS, IDAHO

Enterprise - Wastewater Fund

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Operating Revenues:					
Charges for Services	\$ 10,698,510	\$ 10,698,510	\$ 10,267,500	\$ (431,010)	\$ 10,412,263
Miscellaneous	3,000	3,000	119,375	116,375	15,094
Total Operating Revenues	<u>10,701,510</u>	<u>10,701,510</u>	<u>10,386,875</u>	<u>(314,635)</u>	<u>10,427,357</u>
Operating Expenses:					
Contracted Expenses	4,200,693	4,200,693	4,200,262	431	4,060,545
Personnel Expenses	1,125,253	1,125,253	1,203,686	(78,433)	1,166,187
Depreciation and Amortization	-	-	3,651,566	(3,651,566)	3,498,705
Utilities	5,800	5,800	4,412	1,388	5,308
Supplies	83,675	83,675	77,600	6,075	59,141
Repairs and Maintenance	25,000	25,000	26,809	(1,809)	21,033
Vehicle Expense	72,307	72,307	61,616	10,691	62,067
Capital & Equipment	3,429,282	3,429,282	1,615,562	1,813,720	627,453
Rental Expense	1,000	1,000	-	1,000	-
Miscellaneous Expenses	42,000	42,000	38,684	3,316	43,684
Travel and Meetings	4,000	4,000	3,766	234	3,660
Total Operating Expenses	<u>8,989,010</u>	<u>8,989,010</u>	<u>10,883,963</u>	<u>(1,894,953)</u>	<u>9,547,783</u>
Operating Income (Loss)	1,712,500	1,712,500	(497,088)	(2,209,588)	879,574
Non-operating Revenues (Expenses):					
Development Fees	10,000	10,000	304,940	294,940	2,522,623
Interest, Dividends & Changes in Fair Value	298,525	298,525	1,681,390	1,382,865	292,330
Federal Grants	-	-	91,220	91,220	43,780
Debt Principal Payments	(2,450,000)	(2,450,000)	-	2,450,000	-
Gain on Sale of Assets	-	-	201,732	201,732	-
Interest Expense	(1,034,275)	(1,034,275)	(1,031,785)	2,490	(1,133,135)
Total Non-operating Revenues (Exp.)	<u>(3,175,750)</u>	<u>(3,175,750)</u>	<u>1,247,497</u>	<u>4,423,247</u>	<u>1,725,598</u>
Income (Loss) Before Operating Transfers	(1,463,250)	(1,463,250)	750,409	2,213,659	2,605,172
Interfund Transfers and Donations:					
Transfers In	-	-	-	-	-
Transfers Out	(1,002,890)	(1,002,890)	(1,077,890)	-	(940,803)
Net Transfers and Donations	<u>(1,002,890)</u>	<u>(1,002,890)</u>	<u>(1,077,890)</u>	<u>-</u>	<u>(940,803)</u>
Net Income (Loss)	<u>\$ (2,466,140)</u>	<u>\$ (2,466,140)</u>	<u>(327,481)</u>	<u>\$ 2,213,659</u>	<u>1,664,369</u>
Net Position, October 1st,			<u>75,792,085</u>		<u>74,127,716</u>
Net Position, September 30th			<u>\$ 75,464,604</u>		<u>\$ 75,792,085</u>

CITY OF TWIN FALLS, IDAHO

Enterprise - Sanitation Fund

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Operating Revenues:					
Charges for Services	\$ 3,997,640	\$ 4,075,640	\$ 4,067,348	\$ (8,292)	\$ 3,963,058
Miscellaneous	-	-	2,454	2,454	2,023
Total Operating Revenues	<u>3,997,640</u>	<u>4,075,640</u>	<u>4,069,802</u>	<u>(5,838)</u>	<u>3,965,081</u>
Operating Expenses:					
Contracted Expenses	2,720,380	2,726,380	2,726,049	331	2,562,887
Landfill Expenses	911,950	957,950	929,306	28,644	901,072
Studies and Projects	73,500	99,500	85,840	13,660	91,636
Miscellaneous Expenses	15,000	15,000	15,744	(744)	15,765
Total Operating Expenses	<u>3,720,830</u>	<u>3,798,830</u>	<u>3,756,939</u>	<u>41,891</u>	<u>3,571,360</u>
Operating Income (Loss)	276,810	276,810	312,863	36,053	393,721
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	13,447	13,447	62,440	48,993	11,869
Total Non-operating Revenues (Exp.)	<u>13,447</u>	<u>13,447</u>	<u>62,440</u>	<u>48,993</u>	<u>11,869</u>
Income (Loss) Before Operating Transfers	290,257	290,257	375,303	85,046	405,590
Interfund Transfers and Donations:					
Transfers In	-	-	-	-	-
Transfers Out	(486,197)	(486,197)	(486,197)	-	(448,292)
Net Transfers and Donations	<u>(486,197)</u>	<u>(486,197)</u>	<u>(486,197)</u>	<u>-</u>	<u>(448,292)</u>
Net Income (Loss)	<u>\$ (195,940)</u>	<u>\$ (195,940)</u>	<u>(110,894)</u>	<u>\$ 85,046</u>	<u>(42,702)</u>
Net Position, October 1st,			<u>958,614</u>		<u>1,001,316</u>
Net Position, September 30th			<u>\$ 847,720</u>		<u>\$ 958,614</u>

CITY OF TWIN FALLS, IDAHO

Special Revenue - Street Light Fund

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024			Variance	2023
	Proposed Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Property Taxes	\$ 61,755	\$ 61,755	\$ 62,313	\$ 558	\$ 68,791
Non-Property Taxes	452,250	452,250	506,717	54,467	480,255
Miscellaneous & Intergovernmental	-	-	21,821	21,821	14,308
Total Revenues	<u>514,005</u>	<u>514,005</u>	<u>590,851</u>	<u>76,846</u>	<u>563,354</u>
Expenditures:					
Current					
Highways and Streets	<u>485,000</u>	<u>545,000</u>	<u>463,538</u>	<u>81,462</u>	<u>430,502</u>
Total Expenditures	<u>485,000</u>	<u>545,000</u>	<u>463,538</u>	<u>81,462</u>	<u>430,502</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,005	(30,995)	127,313	158,308	132,852
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	<u>(29,005)</u>	<u>(29,005)</u>	<u>(29,005)</u>	<u>-</u>	<u>(28,147)</u>
Total Other Sources (Uses)	<u>(29,005)</u>	<u>(29,005)</u>	<u>(29,005)</u>	<u>-</u>	<u>(28,147)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ (60,000)</u>	98,308	<u>\$ 158,308</u>	104,705
Fund Balances, October 1st			<u>438,761</u>		<u>334,056</u>
Fund Balances, September 30th			<u>\$ 537,069</u>		<u>\$ 438,761</u>

CITY OF TWIN FALLS, IDAHO

Special Revenue - Library Fund

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				2023
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:					
Property Taxes	\$ 2,070,581	\$ 2,070,581	\$ 2,072,048	\$ 1,467	\$ 2,003,378
Fines and Forfeits	23,000	23,000	16,971	(6,029)	30,765
Fees and Services	22,000	22,000	31,348	9,348	29,811
Interest, Dividends & Changes in Fair Value	18,822	18,822	111,554	92,732	13,969
Miscellaneous & Intergovernmental	19,500	19,500	82,802	63,302	68,169
Total Revenues	<u>2,153,903</u>	<u>2,153,903</u>	<u>2,314,723</u>	<u>160,820</u>	<u>2,146,092</u>
Expenditures:					
Current					
Culture and Recreation	2,153,903	2,153,903	2,112,736	41,167	2,050,045
Capital Outlay	118,000	118,000	220,294	(102,294)	-
Total Expenditures	<u>2,271,903</u>	<u>2,271,903</u>	<u>2,333,030</u>	<u>(61,127)</u>	<u>2,050,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(118,000)	(118,000)	(18,307)	99,693	96,047
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (118,000)</u>	<u>\$ (118,000)</u>	(18,307)	<u>\$ 99,693</u>	96,047
Fund Balances, October 1st			<u>1,359,516</u>		<u>1,263,469</u>
Fund Balances, September 30th			<u>\$ 1,341,209</u>		<u>\$ 1,359,516</u>

CITY OF TWIN FALLS, IDAHO

Special Revenue - Pool Fund

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues:					
Charges for Services	\$ 403,000	\$ 403,000	\$ 399,433	\$ (3,567)	\$ 449,481
Intergovernmental	565,042	565,042	567,226	2,184	338,493
Miscellaneous	-	-	204	204	736
Total Revenues	<u>968,042</u>	<u>968,042</u>	<u>966,863</u>	<u>(1,179)</u>	<u>788,710</u>
Expenditures:					
Contracted Expenses	8,600	8,600	9,513	(913)	10,246
Personnel Expenses	525,842	525,842	530,549	(4,707)	579,127
Utilities	106,000	106,000	80,670	25,330	105,737
Supplies	59,600	59,600	61,127	(1,527)	67,048
Repairs and Maintenance	18,000	18,000	23,270	(5,270)	17,699
Capital & Equipment	382,000	382,000	263,827	118,173	65,868
Miscellaneous Expenses	14,000	14,000	16,807	(2,807)	19,104
Travel and Meetings	-	-	1,979	(1,979)	450
Total Expenditures	<u>1,114,042</u>	<u>1,114,042</u>	<u>987,742</u>	<u>126,300</u>	<u>865,279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,000)	(146,000)	(20,879)	(127,479)	(76,569)
Other Financing Sources (Uses):					
Transfers In	146,000	146,000	36,174	(109,826)	40,603
Transfers Out	-	-	-	-	-
Net Transfers	<u>146,000</u>	<u>146,000</u>	<u>36,174</u>	<u>(109,826)</u>	<u>40,603</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	15,295	<u>\$ (237,305)</u>	(35,966)
Fund Balances, October 1st			<u>(1,892)</u>		<u>34,074</u>
Fund Balances, September 30th			<u>\$ 13,403</u>		<u>\$ (1,892)</u>

CITY OF TWIN FALLS, IDAHO
Special Revenue - Drug Seizure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024			Variance	2023
	Proposed Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Special Assessments, Including Interest	\$ -	\$ -	\$ 61,067	\$ 61,067	\$ 108,861
Total Revenues	-	-	61,067	61,067	108,861
Expenditures:					
Public Safety	63,500	63,500	52,389	11,111	56,685
Total Expenditures	63,500	63,500	52,389	11,111	56,685
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,500)	(63,500)	8,678	72,178	52,176
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (63,500)</u>	<u>\$ (63,500)</u>	8,678	<u>\$ 72,178</u>	52,176
Fund Balances, October 1st			<u>304,175</u>		<u>251,999</u>
Fund Balances, September 30th			<u>\$ 312,853</u>		<u>\$ 304,175</u>

CITY OF TWIN FALLS, IDAHO

Special Revenue - Fireworks Fund

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024			Variance	2023
	Proposed Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Intergovernmental	\$ 7,825	\$ 7,825	\$ 8,013	\$ 188	\$ 8,519
Miscellaneous and Permits	2,200	2,200	2,337	137	3,023
Total Revenues	<u>10,025</u>	<u>10,025</u>	<u>10,350</u>	<u>325</u>	<u>11,542</u>
Expenditures:					
Community Development	22,000	22,000	22,000	-	20,000
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>20,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,975)	(11,975)	(11,650)	325	(8,458)
Other Financing Sources (Uses)					
Transfers In	11,975	11,975	11,975	-	11,975
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	<u>11,975</u>	<u>11,975</u>	<u>11,975</u>	<u>-</u>	<u>11,975</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	325	<u>\$ 325</u>	3,517
Fund Balances, October 1st			<u>(4,053)</u>		<u>(7,570)</u>
Fund Balances, September 30th			<u>\$ (3,728)</u>		<u>\$ (4,053)</u>

CITY OF TWIN FALLS, IDAHO
Capital Projects - Historic Preservation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues:					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures:					
Current					
Community Development	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances, October 1st			<u>(3,745)</u>		<u>(3,745)</u>
Fund Balances, September 30th			<u>\$ (3,745)</u>		<u>\$ (3,745)</u>

CITY OF TWIN FALLS, IDAHO

Capital Projects - Park Development

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				2023
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:					
Interest, Dividends & Changes in Fair Value	\$ -	\$ -	\$ 76,878	\$ 76,878	\$ 11,504
Total Revenues	-	-	76,878	76,878	11,504
Expenditures:					
Current					
Park Development	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	76,878	76,878	11,504
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	76,878	<u>\$ 76,878</u>	11,504
Fund Balances, October 1st			<u>932,962</u>		<u>921,458</u>
Fund Balances, September 30th			<u>\$ 1,009,840</u>		<u>\$ 932,962</u>

CITY OF TWIN FALLS, IDAHO

Other Funds - Impact Fees

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				2023
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:					
Fees and Services	\$ -	\$ -	\$ 2,599,538	\$ 2,599,538	\$ 982,833
Interest, Dividends & Changes in Fair Value	-	-	685,707	685,707	98,238
Total Revenues	-	-	3,285,245	3,285,245	1,081,071
Expenditures:					
Current					
Capital Outlay	-	58,973	58,473	500	583,435
Total Expenditures	-	58,973	58,473	500	583,435
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(58,973)	3,226,772	3,285,745	497,636
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(650,100)	(650,100)	(650,100)	-	(1,361,809)
Total Other Sources (Uses)	(650,100)	(650,100)	(650,100)	-	(1,361,809)
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ (650,100)</u>	<u>\$ (709,073)</u>	2,576,672	<u>\$ 3,285,745</u>	(864,173)
Fund Balances, October 1st			<u>6,920,510</u>		<u>7,784,683</u>
Fund Balances, September 30th			<u>\$ 9,497,182</u>		<u>\$ 6,920,510</u>

CITY OF TWIN FALLS, IDAHO

Capital Projects - CDBG

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

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Revenues:					
Federal Grants	\$ 570,000	\$ 570,000	\$ 4,564	\$ (565,436)	\$ 36,579
Total Revenues	<u>570,000</u>	<u>570,000</u>	<u>4,564</u>	<u>(565,436)</u>	<u>36,579</u>
Expenditures:					
Current					
Community Development	500,000	500,000	-	500,000	4,863
Total Expenditures	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>4,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,000	70,000	4,564	(65,436)	31,716
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(70,000)	(70,000)	(4,564)	(65,436)	(31,790)
Total Other Sources (Uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(4,564)</u>	<u>(65,436)</u>	<u>(31,790)</u>
Excess (Deficiency) of Revenues/Other Sources Over (Under) Expenditures/Uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (130,872)</u>	<u>(74)</u>
Fund Balances, October 1st			<u>207</u>		<u>281</u>
Fund Balances, September 30th			<u>\$ 207</u>		<u>\$ 207</u>

CITY OF TWIN FALLS, IDAHO
Enterprise - Dierkes Lake/Shoshone Falls Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Operating Revenues:					
Charges for Services	\$ 405,935	\$ 405,935	\$ 537,177	\$ 131,242	\$ 524,403
Miscellaneous	-	-	9,130	9,130	3,752
Total Operating Revenues	<u>405,935</u>	<u>405,935</u>	<u>546,307</u>	<u>140,372</u>	<u>528,155</u>
Operating Expenses:					
Contracted Expenses	74,380	74,380	81,588	(7,208)	90,625
Personnel Expenses	94,136	94,136	81,762	12,374	28,825
Depreciation and Amortization	-	-	58,519	(58,519)	57,484
Utilities	5,800	5,800	4,800	1,000	4,628
Supplies	11,500	11,500	9,241	2,259	8,786
Repairs and Maintenance	12,500	12,500	2,143	10,357	6,851
Vehicle Expense	-	-	2,069	(2,069)	928
Capital & Equipment	2,655,500	2,655,500	29,937	2,625,563	140,675
Miscellaneous Expenses	20,500	20,500	9,643	10,857	(4,773)
Total Operating Expenses	<u>2,874,316</u>	<u>2,874,316</u>	<u>279,702</u>	<u>2,594,614</u>	<u>334,029</u>
Operating Income (Loss)	(2,468,381)	(2,468,381)	266,605	2,734,986	194,126
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	25,571	25,571	171,112	145,541	17,378
Gain on Sale of Assets	-	-	9,964	9,964	-
Total Non-operating Revenues (Exp.)	<u>25,571</u>	<u>25,571</u>	<u>181,076</u>	<u>155,505</u>	<u>17,378</u>
Income (Loss) Before Operating Transfers	(2,442,810)	(2,442,810)	447,681	2,890,491	211,504
Interfund Transfers:					
Transfers In	2,455,500	2,455,500	133,486	(2,322,014)	137,630
Transfers Out	(12,690)	(12,690)	(12,690)	-	(12,314)
Net Transfers	<u>2,442,810</u>	<u>2,442,810</u>	<u>120,796</u>	<u>(2,322,014)</u>	<u>125,316</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	568,477	<u>\$ 568,477</u>	336,820
Net Position, October 1st,			<u>3,162,647</u>		<u>2,825,827</u>
Net Position, September 30th			<u>\$ 3,731,124</u>		<u>\$ 3,162,647</u>

CITY OF TWIN FALLS, IDAHO
Enterprise - Common Area Maintenance
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Operating Revenues:					
Charges for Services	\$ 64,972	\$ 64,972	\$ 75,812	\$ 10,840	\$ 74,767
Total Operating Revenues	<u>64,972</u>	<u>64,972</u>	<u>75,812</u>	<u>10,840</u>	<u>74,767</u>
Operating Expenses:					
Contracted Expenses	51,459	56,459	57,352	(893)	48,633
Utilities	1,500	1,500	3,953	(2,453)	1,303
Repairs and Maintenance	8,382	8,382	1,439	6,943	9,319
Miscellaneous Expenses	-	-	215	(215)	154
Total Operating Expenses	<u>61,341</u>	<u>66,341</u>	<u>62,959</u>	<u>3,382</u>	<u>59,409</u>
Operating Income (Loss)	<u>3,631</u>	<u>(1,369)</u>	<u>12,853</u>	<u>14,222</u>	<u>15,358</u>
Income (Loss) Before Operating Transfers	3,631	(1,369)	12,853	14,222	15,358
Interfund Transfers:					
Capital Contributions				-	
Transfers In	-	-	-	-	-
Transfers Out	(3,631)	(3,631)	(3,631)	-	(3,523)
Net Transfers	<u>(3,631)</u>	<u>(3,631)</u>	<u>(3,631)</u>	<u>-</u>	<u>(3,523)</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>9,222</u>	<u>\$ 14,222</u>	<u>11,835</u>
Net Position, October 1st,			<u>43,349</u>		<u>31,514</u>
Net Position, September 30th			<u>\$ 52,571</u>		<u>\$ 43,349</u>

CITY OF TWIN FALLS, IDAHO

Internal Service - Insurance Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended September 30, 2024

With Comparative Actual Amounts from the Previous Year

	2024				
	Proposed Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2023 Actual
Operating Revenues:					
Special Assessments, Including Interest	\$ 243,078	\$ 243,078	\$ 244,616	\$ 1,538	\$ 215,482
Total Operating Revenues	<u>243,078</u>	<u>243,078</u>	<u>244,616</u>	<u>1,538</u>	<u>215,482</u>
Operating Expenses:					
Insurance Expense	574,906	629,906	611,052	18,854	487,144
Miscellaneous Expenses	1,635	1,635	895	740	-
Travel and Meetings	500	500	2,411	(1,911)	138
Total Operating Expenses	<u>577,041</u>	<u>632,041</u>	<u>614,358</u>	<u>17,683</u>	<u>487,282</u>
Operating Income (Loss)	(333,963)	(388,963)	(369,742)	19,221	(271,800)
Non-operating Revenues (Expenses):					
Interest, Dividends & Changes in Fair Value	2,012	2,012	15,440	13,428	(40)
Total Non-operating Revenues (Exp.)	<u>2,012</u>	<u>2,012</u>	<u>15,440</u>	<u>13,428</u>	<u>(40)</u>
Income (Loss) Before Operating Transfers	(331,951)	(386,951)	(354,302)	32,649	(271,840)
Operating Transfers:					
Transfers In	404,465	404,465	404,465	-	379,821
Transfers Out	(72,514)	(72,514)	(72,514)	-	(70,368)
Net Transfers	<u>331,951</u>	<u>331,951</u>	<u>331,951</u>	<u>-</u>	<u>309,453</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (55,000)</u>	(22,351)	<u>\$ 32,649</u>	37,613
Net Position, October 1st			<u>249,793</u>		<u>212,180</u>
Net Position, September 30th			<u>\$ 227,442</u>		<u>\$ 249,793</u>

CITY OF TWIN FALLS, IDAHO
Internal Service - Shop Revolving Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended September 30, 2024
With Comparative Actual Amounts from the Previous Year

	2024			Variance	2023
	Proposed Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
Operating Revenues:					
Charges for Services	\$ 590,198	\$ 590,198	\$ 594,556	\$ 4,358	\$ 582,052
Total Operating Revenues	<u>590,198</u>	<u>590,198</u>	<u>594,556</u>	<u>4,358</u>	<u>582,052</u>
Operating Expenses:					
Contracted Expenses	9,900	9,900	7,138	2,762	8,225
Personnel Expenses	495,304	495,304	493,998	1,306	434,148
Depreciation and Amortization	-	-	10,818	(10,818)	13,310
Utilities	11,500	11,500	12,310	(810)	11,912
Supplies	42,250	42,250	41,904	346	43,530
Repairs and Maintenance	16,500	16,500	11,896	4,604	13,741
Vehicle Expense	2,000	2,000	1,809	191	2,739
Capital & Equipment	1,500,000	1,131,000	1,049,403	81,597	36,519
Miscellaneous Expenses	5,750	5,750	-	5,750	2,417
Travel and Meetings	6,150	6,150	4,053	2,097	3,039
Total Operating Expenses	<u>2,089,354</u>	<u>1,720,354</u>	<u>1,633,329</u>	<u>87,025</u>	<u>569,580</u>
Operating Income (Loss)	<u>(1,499,156)</u>	<u>(1,130,156)</u>	<u>(1,038,773)</u>	<u>91,383</u>	<u>12,472</u>
Income (Loss) before Operating Transfers	(1,499,156)	(1,130,156)	(1,038,773)	91,383	12,472
Interfund Transfers:					
Transfers In	1,500,000	1,131,000	1,047,533	(83,467)	21,289
Transfers Out	(844)	(844)	(844)	-	(819)
Net Transfers	<u>1,499,156</u>	<u>1,130,156</u>	<u>1,046,689</u>	<u>(83,467)</u>	<u>20,470</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>	7,916	<u>\$ 7,916</u>	32,942
Net Position, October 1st,			<u>552,789</u>		<u>519,847</u>
Net Position, September 30th			<u>\$ 560,705</u>		<u>\$ 552,789</u>

STATISTICAL SECTION

CITY OF TWIN FALLS, IDAHO
Statistical Section
September 30, 2024

This section of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed. (Schedule 1-5)

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax. (Schedule 6-8)

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Schedule 9-12)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. (Schedule 13-14)

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Schedule 15-16)

Sources:

Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year or the accounting and budget records on file at the City.

City of Twin Falls, Idaho												
September 30,												
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Schedule of Net Position - Schedule 1												
(accrual basis of accounting)												
Governmental Activities												
Net Investment in Capital Assets	\$ 152,296,140	\$ 149,081,271	\$ 153,295,664	\$ 152,208,211	\$ 148,052,251	\$ 148,693,057	\$ 154,044,906	\$ 144,133,814	\$ 139,207,450	\$ 140,796,310	\$ 148,994,442	
Restricted	14,360,162	13,151,527	1,046,875	1,217,245	1,683,155	941,273	472,926	5,689,098	5,333,887	4,228,544	29,878,583	
Unrestricted	43,073,048	42,555,043	43,045,250	47,724,835	38,802,159	40,293,887	37,601,624	30,207,292	31,667,251	28,789,849	1,699,141	
Total Governmental Activities Net Position	<u>\$ 209,729,350</u>	<u>\$ 204,787,841</u>	<u>\$ 197,387,789</u>	<u>\$ 201,150,291</u>	<u>\$ 188,537,565</u>	<u>\$ 189,928,217</u>	<u>\$ 192,119,456</u>	<u>\$ 180,030,204</u>	<u>\$ 176,208,588</u>	<u>\$ 173,814,703</u>	<u>\$ 180,572,166</u>	
Business-Type Activities												
Net Investment in Capital Assets	\$ 112,051,441	\$ 106,913,776	\$ 106,544,599	\$ 105,800,840	\$ 99,430,017	\$ 99,872,951	\$ 99,291,611	\$ 84,024,365	\$ 82,464,944	\$ 67,210,548	\$ 40,851,261	
Restricted	-	-	-	-	-	6,378,604	6,392,986	4,250,768	8,935,206	15,815,072	29,334,545	
Unrestricted	41,696,726	42,028,550	37,862,972	35,875,999	35,201,955	23,427,888	18,713,692	19,722,784	11,110,781	14,887,526	22,641,980	
Total Governmental Activities Net Position	<u>\$ 153,748,167</u>	<u>\$ 148,942,326</u>	<u>\$ 144,407,571</u>	<u>\$ 141,676,839</u>	<u>\$ 134,631,972</u>	<u>\$ 129,679,443</u>	<u>\$ 124,398,289</u>	<u>\$ 107,997,917</u>	<u>\$ 102,510,931</u>	<u>\$ 97,913,146</u>	<u>\$ 92,827,786</u>	
Primary Government												
Net Investment in Capital Assets	\$ 264,347,581	\$ 255,995,047	\$ 259,840,263	\$ 258,009,051	\$ 247,482,268	\$ 248,566,008	\$ 253,336,517	\$ 228,158,179	\$ 221,672,394	\$ 208,006,858	\$ 189,845,703	
Restricted	14,360,162	13,151,527	1,046,875	1,217,245	1,683,155	7,319,877	6,865,912	9,939,866	14,269,093	20,043,616	59,213,128	
Unrestricted	84,769,774	84,583,593	80,908,222	83,600,834	74,004,114	63,721,775	56,315,316	49,930,076	42,778,032	43,677,375	24,341,121	
Total Primary Government Net Position	<u>\$ 363,477,517</u>	<u>\$ 353,730,167</u>	<u>\$ 341,795,360</u>	<u>\$ 342,827,130</u>	<u>\$ 323,169,537</u>	<u>\$ 319,607,660</u>	<u>\$ 316,517,745</u>	<u>\$ 288,028,121</u>	<u>\$ 278,719,519</u>	<u>\$ 271,727,849</u>	<u>\$ 273,399,952</u>	

Note - In 2015 the City implemented a new accounting principal for recognizing pension costs under GASB 68, Accounting and Financial Reporting for Pensions. In the current year. The City began classifing net pension assets as :
restriction of net position. Prior years net positions have not been restated to reflect these changes.

City of Twin Falls, Idaho

September 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Schedule of Changes in Net Position - Schedule 2											
(accrual basis of accounting)											
<u>Expenses:</u>											
Governmental Activities:											
General Government	\$ 21,461,532	\$ 17,585,202	\$ 16,129,395	\$ 14,737,970	\$ 15,661,483	\$ 16,117,728	\$ 14,086,895	\$ 12,728,775	\$ 13,451,319	\$ 13,055,440	\$ 11,943,398
Fire	7,292,982	6,608,175	6,656,031	2,882,058	5,207,029	4,407,629	4,170,533	3,724,075	3,365,672	2,690,217	4,069,035
Police	15,734,142	14,908,568	13,962,627	11,807,078	12,872,981	11,620,966	10,830,232	9,894,491	8,972,945	8,603,022	8,199,302
Engineering/Planning	3,106,535	2,728,814	2,463,218	2,457,786	2,861,883	2,738,386	2,447,395	2,289,208	2,148,670	2,169,122	1,951,363
Library	2,507,472	2,220,523	2,179,449	1,967,760	1,932,768	1,895,668	1,899,062	1,764,149	1,699,739	1,743,574	1,583,001
Culture and Recreation (a & b)	3,646,138	3,975,647	3,723,170	3,145,391	3,081,632	2,401,718	2,278,971	2,199,115	2,042,063	1,920,259	1,751,333
Streets	5,865,210	5,425,655	5,441,136	4,402,017	5,493,103	6,438,417	8,140,135	5,802,644	3,811,188	3,663,385	3,998,213
Airport	3,575,164	2,649,057	2,639,863	3,138,840	2,013,652	2,202,086	1,856,344	1,817,366	1,747,681	1,734,504	2,132,707
Total	63,189,175	56,101,641	53,194,889	44,538,900	49,124,531	47,822,598	45,709,567	40,219,823	37,239,277	35,579,523	35,628,352
Business-Type Activities:											
Water	9,470,549	9,280,724	8,018,753	7,801,764	7,926,989	7,982,299	7,589,565	7,221,602	7,279,970	6,783,620	7,080,671
Wastewater	11,915,748	10,680,918	9,727,160	9,042,533	9,294,699	9,321,354	8,739,629	8,064,545	7,724,769	7,234,304	6,602,907
Sanitation	3,756,939	3,571,360	3,247,214	3,033,789	2,978,268	2,900,054	2,683,396	2,514,297	2,413,932	2,336,654	2,321,666
Golf (a)	-	-	-	-	63,308	51,549	57,992	43,062	47,036	46,853	58,021
Pool (b)	-	-	-	-	-	700,672	534,172	361,136	155,910	181,301	165,031
Dierkes Lake/Shoshone Falls	279,702	334,029	220,062	214,538	231,839	224,319	211,501	311,985	193,223	223,664	219,597
Common Area Maintenance	62,959	59,409	56,381	42,900	49,723	46,909	41,641	49,998	31,411	23,099	22,930
Total	25,485,897	23,926,440	21,269,570	20,135,524	20,544,826	21,227,156	19,857,896	18,566,625	17,846,251	16,829,495	16,470,823
Total Primary Government	\$ 88,675,072	\$ 80,028,081	\$ 74,464,459	\$ 64,674,424	\$ 69,669,357	\$ 69,049,754	\$ 65,567,463	\$ 58,786,448	\$ 55,085,528	\$ 52,409,018	\$ 52,099,175
<u>Program Revenues:</u>											
Governmental Activities:											
Charges for Services	\$ 10,305,224	\$ 7,522,657	\$ 8,401,811	\$ 9,371,119	\$ 8,027,791	\$ 7,342,801	\$ 8,056,954	\$ 6,329,286	\$ 6,354,779	\$ 6,801,330	\$ 6,050,556
Operating Grants and Contributions	14,348,386	21,296,809	12,190,859	17,286,215	9,975,484	9,232,149	8,720,614	8,347,517	8,074,642	7,781,738	6,781,238
Capital Grants and Contributions	4,340,798	3,091,748	4,341,949	8,837,954	2,154,900	3,225,200	6,487,476	1,867,265	4,311,907	985,169	3,989,947
Total	28,994,408	31,911,214	24,934,619	35,495,288	20,158,175	19,800,150	23,265,044	16,544,068	18,741,328	15,568,237	16,821,741
Business-Type Activities:											
Charges for Services	\$ 28,151,119	\$ 29,685,642	\$ 28,324,137	\$ 28,748,863	\$ 25,763,546	\$ 25,637,594	\$ 26,031,064	\$ 24,399,151	\$ 23,017,706	\$ 23,046,518	\$ 22,335,115
Operating Grants and Contributions	91,220	158,755	43,017	-	-	175,959	142,266	126,233	-	-	569,853
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-
Total	28,242,339	29,844,397	28,367,154	28,748,863	25,763,546	25,813,553	26,173,330	24,525,384	23,017,706	23,046,518	22,904,968
Total Primary Government	\$ 57,236,747	\$ 61,755,611	\$ 53,301,773	\$ 64,244,151	\$ 45,921,721	\$ 45,613,703	\$ 49,438,374	\$ 41,069,452	\$ 41,759,034	\$ 38,614,755	\$ 39,726,709

Schedule of Changes in Net Position - Schedule 2 Continued

(accrual basis of accounting)

General Revenues and Other Changes in Net Position:

Governmental Activities:

Property Taxes - General Purposes	\$	29,603,952	\$	27,302,364	\$	25,555,842	\$	18,671,370	\$	23,386,148	\$	22,160,886	\$	20,596,854	\$	19,334,072	\$	18,219,696	\$	17,673,416	\$	17,412,749
Franchise Taxes		506,717		480,255		432,623		398,503		356,555		369,688		400,950		394,089		393,394		385,292		356,898
Interest and Investment Earnings		5,514,284		862,606		(4,444,340)		(56,423)		1,326,248		1,664,320		152,747		365,364		604,822		577,025		452,434
Miscellaneous Rev. (Including Asset Sales)		1,185,332		792,835		893,674		922,967		821,233		1,001,583		1,903,083		6,195,101		322,311		423,292		459,192
Contributions of Assets		-		-		-		-		-		-		9,816,959		-		-		-		2,264,987
Transfers		2,325,991		2,152,419		2,059,969		1,822,858		992,122		634,732		1,663,182		987,999		1,507,521		1,578,589		1,278,570
Total		39,136,276		31,590,479		24,497,768		21,759,275		26,882,306		25,831,209		34,533,775		27,276,625		21,047,744		20,637,614		22,224,830

Business-Type Activities:

Interest and Investment Earnings	\$	3,692,344	\$	485,641	\$	(2,478,291)	\$	(64,202)	\$	1,005,583	\$	1,041,825	\$	205,674	\$	307,138	\$	611,827	\$	1,100,433	\$	393,336
Miscellaneous Rev. (Including Asset Sales)		683,046		283,576		171,408		215,651		413,746		287,664		199,952		429,834		166,115		123,606		118,255
Contributions of Assets		-		-		-		-		-		-		11,342,494		-		-		-		26,932,853
Transfers		(2,325,991)		(2,152,419)		(2,059,969)		(1,822,858)		(992,122)		(634,732)		(1,663,182)		(987,999)		(1,507,521)		(1,578,589)		(1,278,570)
Total		2,049,399		(1,383,202)		(4,366,852)		(1,671,409)		427,207		694,757		10,084,938		(251,027)		(729,579)		(354,550)		26,165,874
Total Primary Government	\$	41,185,675	\$	30,207,277	\$	20,130,916	\$	20,087,866	\$	27,309,513	\$	26,525,966	\$	44,618,713	\$	27,025,598	\$	20,318,165	\$	20,283,064	\$	48,390,704

Change in Net Position:

Governmental Activities	\$	4,941,509	\$	7,400,052	\$	(3,762,502)	\$	12,715,663	\$	(2,084,050)	\$	(2,191,239)	\$	12,089,252	\$	3,600,870	\$	2,549,795	\$	626,328	\$	3,418,219
Business-Type Activities		4,805,841		4,534,755		2,730,732		6,941,930		5,645,927		5,281,154		16,400,372		5,707,732		4,441,876		5,862,473		32,600,019
Total Primary Government	\$	9,747,350	\$	11,934,807	\$	(1,031,770)	\$	19,657,593	\$	3,561,877	\$	3,089,915	\$	28,489,624	\$	9,308,602	\$	6,991,671	\$	6,488,801	\$	36,018,238

(a) The classification of the Golf Fund was reevaluated and determined to be governmental fund. That change occurred in 2020-21. Years prior have not been restated.

(b) The classification of the Pool was reevaluated and since 2019 it has been included as a cultural and recreation activity in Governmental Activities above.

City of Twin Falls, Idaho

	December 31,											
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Program Labor Burden - Schedule 3												
(cash basis of accounting)												
<u>Labor Cost:</u>												
General Government	\$ 4,492,225	\$ 4,533,567	\$ 4,116,928	\$ 3,823,527	\$ 3,580,518	\$ 3,514,294	\$ 3,265,129	\$ 2,846,567	\$ 2,600,066	\$ 2,628,021	\$ 2,300,448	
Fire	4,395,248	4,176,172	3,828,422	3,662,943	3,478,216	3,446,415	3,140,516	2,872,326	2,589,862	2,573,121	2,417,721	
Police	8,223,779	8,122,703	7,412,373	7,263,972	6,955,216	6,904,756	6,633,364	6,058,440	5,752,076	5,578,775	5,125,314	
Dispatch *	1,020,877	773,104	874,245	818,167	795,979	573,079	535,200	608,941	-	-	-	
Engineering/Planning	1,619,657	1,401,205	1,237,993	1,479,692	1,530,546	1,513,612	1,433,523	1,516,200	1,363,856	1,318,899	1,139,277	
Streets	974,742	925,168	895,266	886,006	842,707	843,576	853,955	766,244	702,086	679,117	638,292	
Library	1,419,881	1,095,129	1,060,754	994,374	965,026	953,313	867,556	834,132	762,985	774,970	761,178	
Culture and Recreation *	1,946,332	1,865,534	1,722,909	1,681,958	1,472,540	1,568,655	1,487,072	1,020,463	933,486	908,640	853,077	
Airport	628,573	631,196	568,397	575,812	526,722	478,006	464,952	412,893	387,441	375,470	359,612	
Water	2,028,918	1,960,581	1,850,260	1,624,009	1,586,221	1,543,034	1,593,718	1,426,265	1,325,484	1,294,640	1,197,864	
Wastewater	660,882	610,604	566,498	442,399	423,705	441,489	365,370	393,295	340,666	346,945	303,517	
Sanitation	-	-	-	-	-	-	-	-	-	-	-	
	\$ 27,411,114	\$ 26,094,963	\$ 24,134,045	\$ 23,252,859	\$ 22,157,396	\$ 21,780,229	\$ 20,640,355	\$ 18,755,766	\$ 16,758,008	\$ 16,478,598	\$ 15,096,300	
<u>Program Labor Hours:</u>												
General Government	120,831	119,257	117,526	107,841	115,280	115,424	93,515	93,728	88,381	90,186	83,068	
Fire	154,151	150,182	146,799	146,756	148,041	151,204	139,267	140,474	143,128	143,904	141,092	
Police	233,745	235,832	222,416	232,225	225,152	260,740	279,184	269,115	288,151	293,747	276,639	
Dispatch *	28,335	24,107	24,804	27,195	30,863	27,598	31,414	35,351	-	-	-	
Engineering/Planning	42,646	37,617	33,269	39,463	41,578	43,185	40,671	48,151	47,022	47,639	44,658	
Streets	33,895	32,702	32,005	32,480	31,937	31,614	30,698	30,383	29,655	29,065	29,062	
Library	63,386	52,931	52,756	52,214	45,974	64,134	61,570	52,660	43,785	39,476	50,424	
Culture and Recreation *	90,838	91,172	88,788	88,967	80,607	98,098	93,143	56,097	51,483	51,008	50,597	
Airport	19,928	20,972	19,407	20,941	20,037	21,292	23,071	21,356	20,652	18,995	18,459	
Water	68,163	67,388	63,879	61,662	63,341	62,277	65,015	63,047	60,970	62,207	59,356	
Wastewater	21,988	20,619	20,688	17,229	17,450	18,757	14,384	17,078	17,109	17,456	14,601	
Sanitation	-	-	-	-	-	-	-	-	-	-	-	
	877,906	852,779	822,337	826,973	820,260	894,323	871,932	827,440	790,336	793,683	767,956	

* During 2017 the City took back responsibility for operating the City Pool. Also in 2017 the Dispatch function which had previously been reported in the Police Department began independent operator

City of Twin Falls, Idaho												
September 30,												
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Fund Balances, Governmental Funds - Schedule 4												
(modified accrual basis of accounting)												
General Fund												
Restricted	\$ 199,666	\$ 113,981	\$ 125,417	\$ 753,573	\$ 423,362	\$ 941,273	\$ 472,443	\$ 78,417	\$ 78,151	\$ 77,852	\$ 257,598	
Reserved (for Dedicated Purpose)/Committed	-	-	-	-	-	-	14,545	578,141	2,537,477	70,820	158,843	
Unreserved/Undesignated/Assigned	12,253,936	9,617,500	10,835,712	11,173,073	10,382,728	10,811,603	9,177,112	8,135,374	7,014,566	10,007,787	9,616,943	
Total	<u>\$ 12,453,602</u>	<u>\$ 9,731,481</u>	<u>\$ 10,961,129</u>	<u>\$ 11,926,646</u>	<u>\$ 10,806,090</u>	<u>\$ 11,752,876</u>	<u>\$ 9,664,100</u>	<u>\$ 8,791,932</u>	<u>\$ 9,630,194</u>	<u>\$ 10,156,459</u>	<u>\$ 10,033,384</u>	
All Other Governmental Funds												
Restricted and Nonspendable	\$ 3,531,944	\$ 1,912,200	\$ 921,458	\$ 980,485	\$ 980,600	\$ 912,153	\$ 364,769	\$ 236,441	\$ 356,084	\$ 321,410	\$ 799,935	
Reserved (for Dedicated Purpose)/Committed	15,659,616	7,771,442	8,748,182	8,349,127	9,901,226	6,395,683	4,714,621	5,694,194	7,011,321	3,934,208	3,410,083	
Unreserved/Undesignated/Assigned	33,309,250	39,480,911	28,208,383	24,112,664	21,104,004	20,906,743	21,867,547	19,635,325	25,471,609	22,507,705	17,895,754	
Total (a)	<u>\$ 52,500,810</u>	<u>\$ 49,164,553</u>	<u>\$ 37,878,023</u>	<u>\$ 33,442,276</u>	<u>\$ 31,985,830</u>	<u>\$ 28,214,579</u>	<u>\$ 26,946,937</u>	<u>\$ 25,565,960</u>	<u>\$ 32,839,014</u>	<u>\$ 26,763,323</u>	<u>\$ 22,105,772</u>	

(a) In 2015 the City implemented a new accounting principal for recognizing court ordered restitution paid to the City. Prior years Fund Balances have not been restated to reflect the change

City of Twin Falls, Idaho

September 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Changes in Fund Balances, Governmental Funds (a) - Schedule 5											
(modified accrual basis of accounting)											
<u>Revenues:</u>											
Property Taxes	\$ 29,478,927	\$ 27,047,298	\$ 25,500,427	\$ 18,606,019	\$ 23,213,478	\$ 22,047,524	\$ 20,296,182	\$ 19,244,951	\$ 18,227,029	\$ 17,674,504	\$ 17,403,998
Other Taxes	1,147,099	1,030,545	884,539	844,815	1,791,976	833,479	916,669	890,516	880,171	911,857	922,415
Special Assessments	61,067	108,861	148,034	54,243	54,172	41,697	52,890	48,712	161,679	86,100	69,427
Fines and Forfeitures	39,215	53,008	54,181	46,903	32,327	43,518	41,416	35,378	41,145	49,417	48,003
Licenses and Permits	1,740,189	1,165,799	1,580,313	2,277,696	1,882,560	1,563,063	1,478,997	1,206,907	1,264,310	1,192,848	1,083,837
Fees and Services	5,640,472	3,609,059	4,332,625	4,745,584	3,981,232	3,566,493	4,044,752	2,864,280	2,907,286	3,418,932	2,732,030
Intergovernmental	13,759,114	12,075,750	12,065,072	10,273,570	9,324,739	8,882,379	8,514,511	8,027,528	7,850,437	6,987,622	6,561,282
Federal Grants	4,839,540	11,651,076	4,460,505	15,848,906	2,794,573	3,573,250	6,676,611	2,174,987	3,785,398	1,740,331	4,207,153
Miscellaneous & Investment Income	8,857,996	3,657,673	(1,800,917)	2,590,280	3,700,849	5,354,114	5,028,789	2,500,653	3,974,965	2,561,569	2,374,751
Total	65,563,619	60,399,069	47,224,779	55,288,016	46,775,906	45,905,517	47,050,817	36,993,912	39,092,420	34,623,180	35,402,896
<u>Expenditures:</u>											
General Government	6,860,110	6,613,680	6,189,417	6,522,913	6,578,986	5,717,526	5,124,801	4,845,447	4,453,961	4,113,905	3,750,276
Public Safety	28,160,358	32,155,598	24,618,708	20,660,157	18,286,968	17,552,034	16,190,076	15,540,831	14,834,689	13,737,173	13,501,256
Engineering	1,688,859	1,412,545	1,450,042	1,651,535	1,683,416	1,692,915	1,553,187	1,499,651	1,426,545	1,320,956	1,642,952
Community Development	1,262,924	1,117,534	867,739	1,083,792	997,728	1,049,807	940,192	867,205	716,364	908,135	695,930
Cultural and Recreation	6,449,621	5,936,021	5,621,033	5,276,359	4,691,137	4,512,993	3,901,366	3,705,360	3,959,919	3,933,293	3,684,778
Highways and Streets	3,257,625	4,277,094	3,646,040	4,569,560	4,169,589	4,874,857	7,058,335	4,852,226	2,809,548	2,166,676	2,047,874
Airport	4,558,671	2,888,348	3,371,090	9,120,557	3,097,547	2,179,219	4,943,941	3,493,986	2,632,330	1,230,160	4,420,793
Debt Issuance Costs	-	-	184,321	-	-	-	-	-	-	-	-
Capital Outlay	8,909,564	3,559,910	2,659,413	4,682,551	5,053,453	5,255,964	6,412,563	11,517,565	3,978,723	3,552,872	2,604,250
Total	61,147,732	57,960,730	48,607,803	53,567,424	44,558,824	42,835,315	46,124,461	46,322,271	34,812,079	30,963,170	32,348,109
<u>Other Financing Sources (Uses):</u>											
Transfers In	4,922,471	17,321,434	6,035,996	5,271,225	6,059,458	3,052,337	4,183,880	4,224,338	4,737,890	4,180,526	12,096,205
Transfers Out	(3,975,120)	(15,498,938)	(4,357,478)	(3,841,069)	(5,420,548)	(2,766,120)	(2,857,091)	(3,228,041)	(3,468,805)	(2,860,508)	(10,800,449)
Issuance of Debt	695,140	5,796,048	3,174,736	-	-	-	-	-	-	-	-
Total	1,642,491	7,618,544	4,853,254	1,430,156	638,910	286,217	1,326,789	996,297	1,269,085	1,320,018	1,295,756
Net Change in Fund Balances	\$ 6,058,378	\$ 10,056,883	\$ 3,470,230	\$ 3,150,748	\$ 2,855,992	\$ 3,356,419	\$ 2,253,145	\$ (8,332,062)	\$ 5,549,426	\$ 4,980,028	\$ 4,350,543
Debt Service as a percentage of non-capital expenditures											
	0%	1.06%	0%	0%	0%	0%	0%	0%	0%	0%	0%

City of Twin Falls, Idaho										
Assessed Value of Taxable Property - Schedule 6										
Fiscal Year	Assessed Valuation	City Levy Rate	Calculated Property Taxes for Budget	Actual Assessment All Property Taxes	Cancellations	Adjustments (Circuit Breaker)	Net Assessed Property Taxes	Collected in Year of Assessment	Collected in Subsequent Yr.	Outstanding Balance 9/30/2023
2023	\$ 6,160,218,640	0.004714041	29,039,523	\$ 29,276,760	\$ 77,423	\$ 3,640,694	25,558,643	\$ 25,197,773	\$ -	\$ 360,870
2022	5,583,114,592	0.004783910	26,709,118	26,982,837	95,914	339,655	26,547,268	26,148,888	247,037	151,343
2021	4,035,957,147	0.006245573	25,206,865	25,345,088	108,864	323,568	24,912,656	24,590,929	273,612	48,115
2020	3,452,293,576	0.005300426	18,298,627	18,367,681	10,776	227,298	18,129,607	17,857,778	270,808	1,021
2019	3,226,338,398	0.007134065	23,016,908	23,074,463	1,889	265,377	22,807,197	22,471,912	335,285	-
2018	2,900,999,246	0.007503874	21,768,733	21,860,986	14,230	238,524	21,608,232	21,301,310	306,922	-
2017	2,683,754,266	0.007429860	19,939,918	20,029,737	10,188	232,073	19,787,476	19,504,807	282,669	-
2016	2,361,514,635	0.008039014	18,984,249	19,066,563	7,496	231,976	18,827,091	18,567,107	259,984	-
2015	2,274,715,387	0.007868287	17,898,114	18,040,788	26,521	238,801	17,775,466	17,367,958	407,508	-
2014	2,264,943,286	0.007664692	17,360,093	17,454,148	56,669	238,801	17,158,678	16,805,418	353,260	-
2013	2,200,305,399	0.007856543	17,286,794	17,821,562	26,820	244,595	17,550,147	17,142,639	407,508	-

Property Tax Levies - Schedule 7								
Fiscal Year	Twin Falls City	Twin Falls County	Twin Falls School District	Twin Falls Highway Dist.	College of Southern Idaho	County Ambulance	County Abatement	Total
2023	0.004714041	0.002671258	0.001604588	0.000703461	0.000705854	0.000111169	0.000063292	0.010573663
2022	0.004783910	0.002782758	0.002262071	0.000716758	0.000728329	0.000112486	0.000064329	0.011450641
2021	0.006245573	0.003604221	0.003106028	0.000942152	0.000924499	0.000148295	0.000085067	0.015055835
2020	0.005300426	0.003974578	0.003629366	0.001069504	0.001014337	0.000169938	0.000097697	0.015255846
2019	0.007134065	0.004192917	0.004275126	0.001091370	0.000889340	0.000179316	0.000103273	0.017865407
2018	0.007503874	0.004282926	0.004750628	0.001131447	0.000914913	0.000198801	0.000108620	0.018891209
2017	0.007429860	0.004311054	0.004618324	0.001151472	0.000931594	0.000191659	0.000112259	0.018746222
2016	0.008039014	0.004620777	0.004821117	0.001245724	0.000982086	0.000211166	0.000124953	0.020044837
2015	0.007868287	0.004552904	0.004765449	0.001223108	0.000963895	0.000208866	0.000125414	0.019707923
2014	0.007664692	0.004499616	0.004786364	0.001194773	0.000955478	0.000202299	0.000124412	0.019427634
2013	0.007856543	0.004622130	0.004396713	0.001207963	0.000968505	0.000211405	0.000125563	0.019388822

Source - Twin Falls County, Idaho

Notes: The County is responsible for assessing, levying, and collecting property taxes for taxing districts within its boundaries. All nonexempt property, including personal property, is subject to property taxation targeted at 100 percent of current market value as of Jan. 1 each year. Idaho law requires that all property within the County be assessed between 90% and 110% of current market value. Properties must be reassessed at least once every five years. Property taxes are a lien on the property and attach on July 1st of the year for which taxes are levied. Taxes on property are due December 20th; however, they may be paid in two installments with the second installment due June 20th.

In Idaho, taxing districts, including the City, may increase the property tax portion of their budgets by up to 3% over the highest amount of the previous three years, plus growth factors for new construction and annexation. When a city chooses to levy less than the maximum amount of property tax revenue allowed by law, the foregone amount accumulates and the city may also add any or all of that amount to its levy in any subsequent year.

The Property Tax Reduction (Circuit Breaker) program reduces property taxes for qualified applicants. The amount of reduction is based on income for the previous calendar year. It is available to personal residences and if someone qualifies for the property taxes on their home and up to one acre of land may be reduced by as much as \$1,500.

The County does not treat the Urban Renewal Agency of Twin Falls, Idaho (URA) as a separate taxing district. The URA is reported as a component unit of the City in the financial statements and the above activity of property taxes assessed and collected, as reported by the County, reflects the activity of the URA as well.

All taxing districts impacting the citizens of the City of Twin Falls have boundaries that extend beyond the City's. There are no taxing geographic boundaries that are not directly within the City's boundaries.

Property tax levy rates detailed above are expressed as per \$1,000 of net taxable value.

City of Twin Falls, Idaho

Principal Property Tax Payers - Schedule 8

Taxpayer	2024 Taxable Assessed Value	2023 Taxable Assessed Value	2022 Taxable Assessed Value	2021 Taxable Assessed Value	2020 Taxable Assessed Value	2019 Taxable Assessed Value	2018 Taxable Assessed Value	2017 Taxable Assessed Value	2016 Taxable Assessed Value	2015 Taxable Assessed Value
Chobani, Inc (Agro-Farma)	\$ 419,502,405	\$ 436,418,386	\$ 397,493,952	\$ 313,752,654	\$ 305,587,296	\$ 267,321,986	\$ 274,928,865	\$ 425,078,135	\$ 447,967,459	\$ 440,704,927
Idaho Power	152,535,363	138,297,751	175,121,784	162,509,565	143,702,217	144,446,139	136,632,843	127,282,949	123,110,502	
Idaho Frozen Foods (Lamb Weston)	142,287,290	139,639,621	129,929,956	122,129,924	96,214,362	84,485,629	83,612,919	92,120,925	85,206,199	73,766,988
Clif Bar Baking Company	108,904,148	127,487,731	113,922,212	107,013,848	102,279,229	105,294,875	103,242,722	96,844,384	37,007,452	
Westrock (Longview), LLC	61,229,234	63,835,517	56,268,349	56,504,145	37,839,972	52,477,906	21,835,126	18,330,840	19,852,116	17,250,406
Twin Falls Rivercrest Apartments	46,935,945									14,479,199
Glanbia Foods, Inc	46,241,155	45,552,707	48,851,524	45,812,601	49,209,189	42,128,211	46,932,648	50,296,001	34,069,915	32,280,570
Jayco	37,058,645	37,514,746	32,605,389	28,792,333	26,959,163	28,055,877				
Wal-Mart Stores, Inc.	27,816,896	26,148,929	26,220,928	24,684,063	22,639,862	19,732,121	18,101,850	18,617,037	18,202,778	15,022,186
Canyon Park West, LLC	26,650,899	23,567,180	22,450,733	21,022,372	20,750,097					
Twin Falls Golden Eagle, LLC		20,685,551								
Bridgeview Estates			28,055,426							
Magic Valley Mall II , LLC				25,468,345	30,973,975	32,076,216	33,466,990	36,153,343	34,260,684	28,085,114
Henningsen Cold Storage Co						24,313,037	17,491,746	19,684,168	17,692,399	17,779,174
Twin Falls Canyon Park (Geronimo LLC)							17,854,445	15,935,346	14,043,318	
Solo Cup Company										14,792,489
Base Jumpers, LLC										12,798,703

Source: Assessed property values are provided by Twin Falls County. Utility taxpayers were added in 2016

Ratios of Outstanding Debt by Type (a) - Schedule 9

Fiscal Year	Government Activities		Business-type Activities		Total	Percentage	Per Capita (b)	City Personal	City
	Certificates of Participation	Lease	Revenue Bonds (c)	Term Loans	Primary Government	of Personal Income (b)		Income	Population
2024	\$ 8,360,241	\$ 1,424,783	\$ 27,125,831	\$ -	\$ 36,910,855	0.74%	\$ 672	\$ 4,956,379,000	54,943
2023	8,655,477	1,567,767	30,598,345	-	40,821,589	0.89%	752	4,592,839,000	54,300
2022	8,905,713	728,832	33,930,860	-	43,565,405	1.04%	819	4,208,749,000	53,213
2021	-	-	37,563,989	-	37,563,989	0.96%	725	3,899,972,000	51,807
2020	-	-	48,736,084	-	48,736,084	1.32%	971	3,681,817,000	50,197
2019	-	-	53,297,705	-	53,297,705	1.56%	1,071	3,410,765,000	49,764
2018	-	-	57,684,327	-	57,684,327	1.77%	1,172	3,259,461,000	49,202
2017	-	-	61,978,558	-	61,978,558	2.07%	1,284	3,000,974,000	48,260
2016	-	-	66,173,038	-	66,173,038	2.29%	1,394	2,889,612,000	47,468
2015	-	-	70,287,516	-	70,287,516	2.53%	1,529	2,779,540,000	45,981
2014	-	-	74,291,998	-	74,291,998	2.84%	1,645	2,620,007,000	45,158

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Obligations from unfunded pension costs have not been included

(a) Debt is reflected net of any unamortized premium or discount

(b) See also Schedule 13 regarding personal income and population data. These ratios are calculated using personal income and population for the prior calendar year

(c) The City secured the following new revenue bonds - 2009, \$10,225,000; 2010, \$18,595,000; 2013, \$14,670,000; 2014 \$38,000,000

City of Twin Falls, Idaho

Direct and Overlapping Governmental Activities Debt (a) - Schedule 10

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct & Overlapping Debt</u>	<u>Combined Debt</u>
Debt Repaid with Property Taxes (b):				
Twin Falls School District - Series 2014C General Obligation Debt (Refunding)	7,165,000	84.04%	6,021,466	
Twin Falls School District - Series 2020 General Obligation Debt	57,705,000	84.04%	48,495,282	
Urban Renewal Agency of Twin Falls, Idaho:				
Revenue Allocation Bonds, Series 2013A	17,253,000	100.00%	17,253,000	
Revenue Allocation Bonds, Series 2016A	8,850,000	100.00%	8,850,000	
Other Debt:				
Twin Falls School District - Leases (Energy Savings and Building)	601,022	84.04%	505,099	
Subtotal, overlapping debt			<u>81,124,847</u>	81,124,847
City Direct Debt (d):				<u>9,785,024</u>
Total Direct and Overlapping Debt				<u>\$ 90,909,871</u>

Sources: Assessed value data used to estimate applicable percentages provided by Twin Falls County. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.

(a) The School District's debt information is as of their year end of June 30, 2024. The URA is as of September 30, 2024.

(b) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

(c) Even though the URA debt has been reflected as 100% applicable it does not relate to the entire City. Property taxes from specific areas within the City are dedicated for its repayment.

(d) Debt related to business-type activities, repaid from service revenue, is not included as part of the City's direct and overlapping debt.

Legal Debt Margin Information - Schedule 11

Under Idaho law, the city's outstanding general obligation debt should not exceed 10 percent of total assessed property value. The City has leases totaling \$9,785,024 (net of amortized premium or discount) which are classified as general obligation debt. The 10 percent limitation under State statutes would be around \$550,000,000.

City of Twin Falls, Idaho

Pledged Revenue Coverage - Schedule 12
(cash basis of accounting)

Water Revenue Bonds

Fiscal Year	Utility Service	Less: Operating	Net Available	Required Debt Service		Coverage
	Charges	Expense	Revenue	Principal	Interest (a)	
2024	\$ 12,656,691	\$ 7,369,557	\$ 5,287,134	\$ 805,000	\$ 38,596	6.27
2023	12,035,516	7,277,755	4,757,761	765,000	76,928	5.65
2022	11,809,706	5,978,749	5,830,957	1,085,000	132,750	4.79
2021	11,955,356	5,561,107	6,394,249	2,305,000	430,245	2.34
2020	11,463,822	5,530,372	5,933,450	2,215,000	572,100	2.13
2019	10,800,370	5,529,462	5,270,908	2,140,000	607,990	1.92
2018	10,751,213	5,406,882	5,344,331	2,085,000	678,166	1.93
2017	10,263,184	4,907,137	5,356,047	2,105,000	709,811	1.90
2016	10,236,640	5,065,364	5,171,276	2,055,000	721,589	1.86
2015	9,743,873	4,561,843	5,182,030	1,930,000	812,559	1.89

Wastewater Revenue Bonds

Fiscal Year	Utility Service	Less: Operating	Net Available	Required Debt Service		Coverage
	Charges	Expense	Revenue	Principal	Interest	
2024	\$ 10,267,500	\$ 7,232,397	\$ 3,035,103	\$ 2,450,000	\$ 1,031,785	0.87
2023	10,412,263	6,049,078	4,363,185	2,350,000	1,133,135	1.25
2022	11,695,412	5,035,951	6,659,461	2,235,000	1,247,280	1.91
2021	10,261,051	4,307,539	5,953,512	2,130,000	1,351,237	1.71
2020	9,343,523	4,478,552	4,864,971	2,030,000	1,455,281	1.40
2019	9,956,050	4,583,458	5,372,592	1,930,000	1,551,781	1.54
2018	10,213,945	4,239,570	5,974,375	1,905,000	1,578,084	1.72
2017	9,826,394	4,598,570	5,227,824	1,845,000	1,638,516	1.50
2016	9,218,900	4,282,031	4,936,869	1,815,000	1,665,856	1.42
2015	9,865,339	4,035,020	5,830,319	1,765,000	1,713,096	1.68

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization

City of Twin Falls, Idaho

Demographic and Economic Statistics - Schedule 13

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>City Population</u>	Unavailable	54,943	54,300	53,213	51,807	50,197	49,764	49,202	48,260	47,468	45,981
<u>Total Personal Income for Twin Falls County (Thousand Dollars)</u>	Unavailable	4,956,379	4,592,839	4,208,749	3,899,972	3,681,817	3,410,765	3,259,461	3,000,974	\$ 2,889,612	\$ 2,779,540
<u>Personal Income per capita for Twin Falls County</u>	Unavailable	52,087	49,019	45,627	44,112	42,379	40,756	38,935	35,934	\$ 35,079	\$ 34,763
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>City Unemployment Rate</u>	3.6	3.1	2.7	2.8	6.3	2.8	2.7	2.8	3.3	3.6	4.1
<u>City Labor Force</u>	26,756	26,329	26,103	24,014	25,513	24,342	23,761	24,206	23,522	23,221	22,243
<u>School Enrollment</u>	9,053	9,282	9,531	9,556	9,294	9,775	9,693	9,602	9,322	9,090	8,865

Source: Population information is provided by the Census Bureau. Personal income and per capita income of Twin Falls County was provided by the Federal Bureau of Economic Analysis. The Twin Falls City Unemployment Rate and City Labor Force were supplied by the Idaho Department of Labor. School enrollment information was provided by the Twin Falls School District

Notes: The City population and the total personal income for the County and the per capita income were estimated from surveys conducted during the last quarter of each calendar year. Personal income is an estimation of the total for a calendar year. The unemployment and labor force information is as calculated at the end of September. The Department of Labor cautions users that the City is a small sample size for purposes of computing an unemployment rate. School enrollment information is based on the census near the beginning of the school year

City's Largest Employers - Schedule 14

<u>2024</u>			
Business	Rank	Employment Range	Industry
St Luke's Magic Valley Reg. Medical Center	1	2,000 - 2,999	Health Care
Chobani Idaho Inc.	2	1,000 - 1,499	Food Manufacturing
Twin Falls School District #411	3	1,000 - 1,499	Local Government - Education
College of Southern Idaho	4	1,000 - 1,499	Local Government - Education
Lamb Weston Inc.	5	700 - 799	Food Manufacturing
Amalgamated Sugar Company	6	400 - 499	Food Manufacturing
Wal-Mart Associates, Inc.	7	400 - 499	Retail Trade
Twin Falls County	8	400 - 499	Local Government - Administration
City of Twin Falls	9	300 - 399	Local Government - Administration
Clif Bar Baking Company	10	300 - 399	Food Manufacturing

<u>2015</u>			
Business	Rank	Employment Range	Industry
St. Lukes Magic Valley Reg. Medical Center	1	2,000 - 2,500	Health Care
Personnel Plus Inc.	2	1,500 - 1,999	Administrative & Support Services
College of Southern Idaho	3	500 - 999	Local Government - Education
Twin Falls School District #411	4	500 - 999	Local Government - Education
Chobani Idaho Inc.	5	500 - 999	Food Manufacturing
C3 Customercontact Channels Inc.	6	500 - 999	Administrative & Support Services
Conagra Foods Packaged Food Co	7	500 - 999	Food Manufacturing
Elwood Staffing Company	8	250 - 499	Administrative & Support Services
Amalgamated Sugar Company	9	250 - 499	Manufacturing
Twin Falls County	10	250 - 499	Local Government Administration

Source: Quarterly Report of Employment & Wages reports as reported to the Idaho Department of Labor
Note: Only employers that have given the Department permission to release employment range data are listed. The listing included both private and public employer

City of Twin Falls, Idaho																					
</																					

Source: Information is compiled from records maintained within City departments

Notes: The following departments are reporting data on a calendar year: Police, Fire, Airport, Parks, and Water. The following departments are reporting data on a fiscal year; Building, Library, Wastewater, and Sanitation

	City of Twin Falls, Idaho									
	<u>FYE 2025</u>	<u>FYE 2024</u>	<u>FYE 2023</u>	<u>FYE 2022</u>	<u>FYE 2021</u>	<u>FYE 2020</u>	<u>FYE 2019</u>	<u>FYE 2018</u>	<u>FYE 2017</u>	<u>FYE 2016</u>
Other Operating Information - Schedule 16										
<u>Budgeted Fulltime Equivalent Employees:</u>										
General Government	52.75	51.50	50.00	49.00	46.00	46.25	45.00	43.00	40.00	40.00
Fire	51.50	48.50	48.50	47.50	47.50	47.50	42.50	42.00	42.00	42.00
Police	107.00	107.00	107.00	103.00	102.75	102.75	103.75	102.75	113.75	107.75
Dispatch *	14.00	14.00	13.00	13.00	13.00	13.00	13.00	11.00		
Engineering/Planning	19.00	19.00	19.00	19.00	19.25	19.25	19.25	19.25	19.25	20.25
Streets	16.67	16.33	16.33	16.33	16.00	16.00	16.00	14.00	14.00	14.00
Library	19.00	37.00	38.00	38.00	36.00	45.00	48.00	49.00	55.00	55.00
Culture and Recreation *	19.25	19.00	19.00	19.00	20.00	19.00	19.25	18.00	17.00	17.00
Airport	9.50	9.50	9.50	9.50	9.50	9.50	8.50	8.50	8.13	8.13
Water	32.16	32.33	32.33	31.33	29.50	29.00	28.75	27.75	27.75	27.75
Wastewater	10.67	10.84	10.84	9.84	9.75	9.75	9.75	8.75	8.75	8.75
Sanitation	-	-	-	-	-	-	-	-	-	-
	351.50	365.00	363.50	355.50	349.25	357.00	353.75	344.00	345.63	340.63

* During 2017 the City took back responsibility for operating the City Pool. Also in 2017 the Dispatch function which had previously been reported in the Police Department began independent operations

	Machinery &					
<u>Net Book Value of Capital Assets</u>	<u>Land</u>	<u>Building</u>	<u>Improvements</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Total</u>
General Government	\$ 11,944,912	\$ 35,267,438	\$ 2,993,004	\$ 78,426,804	\$ 1,035,641	\$ 129,667,799
Fire	-	61,513	258,112	-	2,196,611	2,516,236
Police & Dispatch	-	52,113	131,327	-	1,001,358	1,184,798
Engineering/Planning	-	-	-	-	37,315	37,315
Streets	-	57,559	1,288	2,912,866	1,939,853	4,911,566
Library	-	1,092,090	85,346	-	2,176,662	3,354,098
Culture and Recreation	158,532	1,347,049	1,847,087	327,562	805,528	4,485,759
Airport	-	1,906,876	1,524,087	4,095,691	1,372,069	8,898,723
Water	12,569,051	681,822	8,095,600	28,599,254	1,600,345	51,546,071
Wastewater	126,185	1,579,702	11,507,893	62,358,488	5,245,490	80,817,759
Sanitation						
	\$ 24,798,680	\$ 42,046,162	\$ 26,443,745	\$ 176,720,666	\$ 17,410,871	\$ 287,420,124

* Included in the category of General Government are shared function assets

SINGLE AUDIT INFORMATION

CITY OF TWIN FALLS
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Federal Expenditures (\$)</i>
<i>CDBG - Entitlement Grants-Cluster</i>			
Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218		\$ 4,564
Total Community Development Block Grants/Entitlement Grants			4,564
<i>Total Department of Housing and Urban Development</i>			4,564
<i>Total CDBG - Entitlement Grants-Cluster</i>			4,564
<i>Highway Safety Cluster-Cluster</i>			
Department of Transportation			
State and Community Highway Safety	20.600	State of Idaho	22,539
Total State and Community Highway Safety			22,539
<i>Total Department of Transportation</i>			22,539
<i>Total Highway Safety Cluster-Cluster</i>			22,539
<i>Other Programs (Treated individually for major program determination)</i>			
United States Department of Justice			
Bulletproof Vest Partnership Program	16.607		15,383
Total Bulletproof Vest Partnership Program			15,383
Public Safety Partnership and Community Policing Grants	16.710	State of Idaho	338,000
Total Public Safety Partnership and Community Policing Grants			338,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738		6,848
Total Edward Byrne Memorial Justice Assistance Grant Program			6,848
<i>Total United States Department of Justice</i>			360,231
Department of Transportation			
Airport Improvement Program	20.106		1,501,351
Total Airport Improvement Program			1,501,351
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Idaho Transportation Department	1,703,242
Total Formula Grants for Rural Areas and Tribal Transit Program			1,703,242
<i>Total Department of Transportation</i>			3,204,593
United States Environmental Protection Agency			
Sewer Overflow and Stormwater Reuse Municipal Grant Program	66.447	Idaho Department of Environmental Quality	91,220
Total Sewer Overflow and Stormwater Reuse Municipal Grant Program			91,220
<i>Total United States Environmental Protection Agency</i>			91,220
<i>Total Other Programs (Treated individually for major program determination)</i>			\$ 3,656,044
<i>Total Expenditures of Federal Awards</i>			\$ 3,683,147

The accompanying notes are an integral part of this schedule

CITY OF TWIN FALLS, IDAHO
Notes to Schedule of Expenditures of Federal Awards
September 30, 2024

Note A-Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Twin Falls, Idaho and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as expenditure when it is paid to the subrecipient.

Note B-Significant Accounting Policies

Governmental fund types account for the City's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis-when they become a demand on current available financial resources. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements.

Note C-Indirect Cost Rate

The City does not draw for indirect administrative expenses, and has not elected to use the 10% de minimus cost rate.

CITY OF TWIN FALLS, IDAHO
Schedule of Findings and Questioned Costs
For the Year ended September 30, 2024

Financial Statements

Unmodified

Type of auditor's report issued:

Internal Control over financial reporting:

Material Weakness(es) identified?

Yes ☐

No ☒

Significant deficiency(ies) identified that are not
considered to be a Material Weakness?

Yes ☐

No ☒

Non-Compliance material to financial statements noted?

Yes ☐

No ☒

Federal Awards

Internal Control over major programs:

Material Weakness(es) identified?

Yes ☐

No ☒

Significant deficiency(ies) identified that are not
considered to be a Material Weakness?

Yes ☐

No ☒

Type of auditor's report issued on compliance for
major programs

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the Uniform Guidance
2 CFR 200.516

Yes ☐

No ☒

Identification of major programs

Name of Federal Program or Cluster

CFDA Number

Formula Grants for Rural Areas and Tribal Transit Program

20.509

Public Safety Partnership & Community Policing Grants

16.710

Dollar threshold used to distinguish between type A
and Type B programs

\$750,000

Auditee Qualified as low-risk auditee?

Yes ☒

No ☐



Mahlke Hunsaker & Company PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

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 City Council
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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Twin Falls, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated February 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Twin Falls, Idaho's internal control over financial reporting (internal control) as a basis for designing 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 City of Twin Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. 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 & Co., PLLC
Twin Falls, Idaho
February 21, 2025



Mahlke Hunsaker & Company PLLC

C e r t i f i e d P u b l i c A c c o u n t a n t s

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the City Council
City of Twin Falls, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Twin Falls, Idaho's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Twin Falls, Idaho's major federal programs for the year ended September 30, 2024. The City of Twin Falls, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Twin Falls, Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Twin Falls, Idaho and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Twin Falls, Idaho's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Twin Falls, Idaho's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Twin Falls, Idaho's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Twin Falls, Idaho's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Twin Falls, Idaho's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Twin Falls, Idaho's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Twin Falls, Idaho's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & Co., PLLC
February 21, 2025



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: Mandi Thompson, Assistant to the City Manager

ACTION ITEM

Request:

Request for the Mayor to sign a contract with Cole Architects for the first phase of the design and engineering of a police evidence storage facility.

Time Estimate:

Five minutes for presentation and any questions from Council.

Background:

Funding was included in the FY2025 budget for the design and engineering services for a new police long-term evidence storage facility. An RFP was released on October 1, 2024 and a three-member committee (Mandi Thompson, Brent Wright and David Weigt) selected Cole Architects as the top-ranked firm. The Council authorized City staff to enter into negotiations with Cole Architects on February 3, 2025. Through multiple conversations, staff and the design team decided to take a phased approach - this contract covers the first phase of conceptual and schematic design. The contract will be amended to include the remaining phases as construction estimates are established.

Approval Process:

Majority approval from Council.

Budget Impact:

\$36,235 included in the current budget.

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

Staff recommends that the City Council approves request for the mayor to sign the contract with Cole Architects.

Attachments:

1. 24-117 - Twin Falls Evidence Facility - B101-2017

 AIA® Document B101® – 2017**Standard Form of Agreement Between Owner and Architect**

AGREEMENT made as of the fifth day of March in the year Two Thousand Twenty-Five
(In words, indicate day, month and year.)

BETWEEN the Architect's client identified as the Owner:
(Name, legal status, address and other information)

City of Twin Falls
203 Main Avenue East
Twin Falls, ID 83301
(208)736-2296

and the Architect:
(Name, legal status, address and other information)

Cole Architects, PLLC
404 S 8th Street #250
Boise, ID 83702
(208) 345-1800

for the following Project:
(Name, location and detailed description)

Twin Falls Police Storage and Evidence Facility
420 Victory Avenue
Twin Falls, ID 83301
Approximately 17,000 sf police evidence and storage facility to include officer intake area, evidence storage, vehicle intake area, garage space for vehicle storage, an enclosed yard for storage of larger items that do not need protection from the weather. Design fees for the current scope of work is based on an estimated overall construction budget of \$ 2.9 Million, with an intent to develop and finalize project scope during Phase I. Final building square footage will be determined by programming and budget available.

The Owner and Architect agree as follows.

ADDITIONS AND DELETIONS:

The author of this document may have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

TABLE OF ARTICLES

- 1 INITIAL INFORMATION
- 2 ARCHITECT'S RESPONSIBILITIES
- 3 SCOPE OF ARCHITECT'S BASIC SERVICES
- 4 SUPPLEMENTAL AND ADDITIONAL SERVICES
- 5 OWNER'S RESPONSIBILITIES
- 6 COST OF THE WORK
- 7 COPYRIGHTS AND LICENSES
- 8 CLAIMS AND DISPUTES
- 9 TERMINATION OR SUSPENSION
- 10 MISCELLANEOUS PROVISIONS
- 11 COMPENSATION
- 12 SPECIAL TERMS AND CONDITIONS
- 13 SCOPE OF THE AGREEMENT

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project:

()

The program may consist of the following items: officer intake area, evidence storage, vehicle intake area, garage space for vehicle storage and an enclosed yard for storage of larger items.

§ 1.1.2 The Project's physical characteristics:

()

The Twin Falls Police Evidence and Storage Facility will be located at 420 Victory Avenue, Twin Falls, ID 83301. Utilities are presumed to be accessible from nearby roadways. Geotechnical reports and boundary surveys will be conducted to assess the current site conditions.

§ 1.1.3 The Owner's budget for the Cost of the Work, as defined in Section 6.1:

(Provide total and, if known, a line item breakdown.)

Phase I budget of \$36,235

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

- .1 Design phase milestone dates, if any:

Phase I services are anticipated to be substantially complete by July 15, 2025.

.2 Construction commencement date:

Phase II services will follow upon notice to proceed by City of Twin Falls,

.3 Substantial Completion date or dates:

To be Determined

.4 Other milestone dates:

None

§ 1.1.5 The Owner intends the following procurement and delivery method for the Project:
(Identify method such as competitive bid or negotiated contract, as well as any requirements for accelerated or fast-track design and construction, multiple bid packages, or phased construction.)

CM/GC (Construction Manager/General Contractor)

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

NA

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Architect shall complete and incorporate AIA Document E204™–2017, Sustainable Projects Exhibit, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E204–2017 is incorporated into this agreement, the Owner and Architect shall incorporate the completed E204–2017 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 The Owner identifies the following representative in accordance with Section 5.3:
(List name, address, and other contact information.)

Mandi Thompson
203 Main Avenue East
Twin Falls, ID 83301
2087357237

mthompson@tfid.org

§ 1.1.8 The persons or entities, in addition to the Owner's representative, who are required to review the Architect's submittals to the Owner are as follows:
(List name, address, and other contact information.)

None

§ 1.1.9 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Geotechnical Engineer:

TBD

.2 Civil Engineer:

TBD

- .3 Other, if any:
(List any other consultants and contractors retained by the Owner.)

§ 1.1.10 The Architect identifies the following representative in accordance with Section 2.3:
(List name, address, and other contact information.)

Matt Huffield
404 S 8th Street #250
Boise, ID 83702
(208) 345-1800

matt@colearchitects.com

§ 1.1.11 The Architect shall retain the consultants identified in Sections 1.1.11.1 and 1.1.11.2:
(List name, legal status, address, and other contact information.)

§ 1.1.11.1 Consultants retained under Basic Services:

- .1 Structural Engineer:

Cole Architects
Ryan Beneduce, PE
404 S. 8th street #250

- .2 Mechanical Engineer:

ECI
303 S Federal Way #5925
Boise, ID, 83705

- .3 Electrical Engineer:

ECI
303 S Federal Way #5925
Boise, ID, 83705

- .4 Police Facility Specialist:

Roth Shepard
Brian Berryhill
3370 Walnut St
Denver, Colorado, 80205

§ 1.1.11.2 Consultants retained under Supplemental Services:

§ 1.1.12 Other Initial Information on which the Agreement is based:

§ 1.2 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that the Initial Information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the Architect's services, schedule for the Architect's services, and the Architect's compensation. The Owner shall adjust the Owner's budget for the Cost of the Work and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 The parties shall agree upon written protocols governing the transmission and use of, and reliance on, Instruments of Service or any other information or documentation in digital form.

§ 1.3.1 Any use of, or reliance on, all or a portion of a building information model without agreement to written protocols governing the use of, and reliance on, the information contained in the model shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

§ 2.1 The Architect shall provide professional services as set forth in this Agreement. The Architect represents that it is properly licensed in the jurisdiction where the Project is located to provide the services required by this Agreement, or shall cause such services to be performed by appropriately licensed design professionals.

§ 2.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 2.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 2.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 2.5 The Architect shall maintain the following insurance until termination of this Agreement. If any of the requirements set forth below are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect as set forth in Section 11.9.

§ 2.5.1 Commercial General Liability with policy limits of not less than One Million Dollars and Zero Cents (\$ 1,000,000.00) for each occurrence and One Million Dollars and Zero Cents (\$ 1,000,000) in the aggregate for bodily injury and property damage.

§ 2.5.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Architect with policy limits of not less than One Million Dollars and Zero Cents (\$ 1,000,000.00) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 2.5.3 The Architect may achieve the required limits and coverage for Commercial General Liability and

Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 2.5.1 and 2.5.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 2.5.4 Workers' Compensation at statutory limits.

§ 2.5.5 Employers' Liability with policy limits not less than One Million Dollars and Zero Cents (\$ 1,000,000.00) each accident, One Million Dollars and Zero Cents (\$ 1,000,000.00) each employee, and One Million Dollars and Zero Cents (\$ 1,000,000.00) policy limit.

§ 2.5.6 Professional Liability covering negligent acts, errors and omissions in the performance of professional services with policy limits of not less than Two Million Dollars and Zero Cents (\$ 2,000,000.00) per claim and Two Million Dollars and Zero Cents (\$ 2,000,000.00) in the aggregate.

§ 2.5.7 Additional Insured Obligations. To the fullest extent permitted by law, the Architect shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Architect's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 2.5.8 The Architect shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 2.5.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§ 3.1 The Architect's Basic Services consist of those described in this Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services not set forth in this Article 3 are Supplemental or Additional Services.

§ 3.1.1 The Architect shall manage the Architect's services, research applicable design criteria, attend Project meetings, communicate with members of the Project team, and report progress to the Owner.

§ 3.1.2 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of, services and information furnished by the Owner and the Owner's consultants. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission, or inconsistency in such services or information.

§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.4 The Architect shall not be responsible for an Owner's directive or substitution, or for the Owner's acceptance of non-conforming Work, made or given without the Architect's written approval.

§ 3.1.5 The Architect shall contact governmental authorities required to approve the Construction Documents and entities providing utility services to the Project. The Architect shall respond to applicable design requirements imposed by those authorities and entities.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 3.2 Schematic Design Phase Services

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

§ 3.2.2 The Architect shall prepare a preliminary evaluation of the Owner's program, schedule, budget for the Cost of the Work, Project site, the proposed procurement and delivery method, and other Initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

§ 3.2.3 The Architect shall present its preliminary evaluation to the Owner and shall discuss with the Owner alternative approaches to design and construction of the Project. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

§ 3.2.4 Based on the Project requirements agreed upon with the Owner, the Architect shall prepare and present, for the Owner's approval, a preliminary design illustrating the scale and relationship of the Project components.

§ 3.2.5 Based on the Owner's approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner's approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital representations. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

§ 3.2.5.1 The Architect shall consider sustainable design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner's program, schedule and budget for the Cost of the Work. The Owner may obtain more advanced sustainable design services as a Supplemental Service under Section 4.1.1.

§ 3.2.5.2 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics, in developing a design for the Project that is consistent with the Owner's program, schedule, and budget for the Cost of the Work.

§ 3.2.6 The Architect shall submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.2.7 The Architect shall submit the Schematic Design Documents to the Owner, and request the Owner's approval.

§ 3.3 Design Development Phase Services

§ 3.3.1 Based on the Owner's approval of the Schematic Design Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner's approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and other appropriate elements. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish, in general, their quality levels.

§ 3.3.2 The Architect shall update the estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.3.3 The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's approval.

§ 3.4 Construction Documents Phase Services

§ 3.4.1 Based on the Owner's approval of the Design Development Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner's approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels and performance criteria of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that, in order to perform the

Work, the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate the design requirements of governmental authorities having jurisdiction over the Project into the Construction Documents.

§ 3.4.3 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) procurement information that describes the time, place, and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications, and may include bidding requirements and sample forms.

§ 3.4.4 The Architect shall update the estimate for the Cost of the Work prepared in accordance with Section 6.3.

§ 3.4.5 The Architect shall submit the Construction Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

§ 3.5 Procurement Phase Services

§ 3.5.1 General

The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner's approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any; and, (4) awarding and preparing contracts for construction.

§ 3.5.2 Competitive Bidding

§ 3.5.2.1 Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

§ 3.5.2.2 The Architect shall assist the Owner in bidding the Project by:

- .1 facilitating the distribution of Bidding Documents to prospective bidders;
- .2 organizing and conducting a pre-bid conference for prospective bidders;
- .3 preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to the prospective bidders in the form of addenda; and,
- .4 organizing and conducting the opening of the bids, and subsequently documenting and distributing the bidding results, as directed by the Owner.

§ 3.5.2.3 If the Bidding Documents permit substitutions, upon the Owner's written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective bidders.

§ 3.5.3 Negotiated Proposals

§ 3.5.3.1 Proposal Documents shall consist of proposal requirements and proposed Contract Documents.

§ 3.5.3.2 The Architect shall assist the Owner in obtaining proposals by:

- .1 facilitating the distribution of Proposal Documents for distribution to prospective contractors and requesting their return upon completion of the negotiation process;
- .2 organizing and participating in selection interviews with prospective contractors;
- .3 preparing responses to questions from prospective contractors and providing clarifications and interpretations of the Proposal Documents to the prospective contractors in the form of addenda; and,
- .4 participating in negotiations with prospective contractors, and subsequently preparing a summary report of the negotiation results, as directed by the Owner.

§ 3.5.3.3 If the Proposal Documents permit substitutions, upon the Owner's written authorization, the Architect shall, as an Additional Service, consider requests for substitutions and prepare and distribute addenda identifying approved substitutions to all prospective contractors.

§ 3.6 Construction Phase Services

§ 3.6.1 General

§ 3.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A201™–2017, General Conditions of the Contract for Construction. If the Owner and Contractor modify AIA Document A201–2017, those modifications shall not affect the Architect’s services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.6.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor’s failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect’s negligent acts or omissions, but shall not have control over or charge of, and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.6.1.3 Subject to Section 4.2 and except as provided in Section 3.6.6.5, the Architect’s responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.6.2 Evaluations of the Work

§ 3.6.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.2.3, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.

§ 3.6.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect shall have the authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 3.6.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect’s response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.6.2.4 Interpretations and decisions of the Architect shall be consistent with the intent of, and reasonably inferable from, the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith. The Architect’s decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

§ 3.6.2.5 Unless the Owner and Contractor designate another person to serve as an Initial Decision Maker, as that term is defined in AIA Document A201–2017, the Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.6.3 Certificates for Payment to Contractor

§ 3.6.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect’s certification for payment shall constitute a representation to the Owner, based on the Architect’s evaluation of the Work as provided in Section 3.6.2 and on the data comprising the Contractor’s Application for Payment, that, to the best of the Architect’s knowledge, information and belief, the Work has

progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to (1) an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) results of subsequent tests and inspections, (3) correction of minor deviations from the Contract Documents prior to completion, and (4) specific qualifications expressed by the Architect.

§ 3.6.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.6.3.3 The Architect shall maintain a record of the Applications and Certificates for Payment.

§ 3.6.4 Submittals

§ 3.6.4.1 The Architect shall review the Contractor's submittal schedule and shall not unreasonably delay or withhold approval of the schedule. The Architect's action in reviewing submittals shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time, in the Architect's professional judgment, to permit adequate review.

§ 3.6.4.2 The Architect shall review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. The Architect's review shall not constitute approval of safety precautions or construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 3.6.4.3 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials, or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review and take appropriate action on Shop Drawings and other submittals related to the Work designed or certified by the Contractor's design professional, provided the submittals bear such professional's seal and signature when submitted to the Architect. The Architect's review shall be for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect shall be entitled to rely upon, and shall not be responsible for, the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals.

§ 3.6.4.4 Subject to Section 4.2, the Architect shall review and respond to requests for information about the Contract Documents. The Architect shall set forth, in the Contract Documents, the requirements for requests for information. Requests for information shall include, at a minimum, a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested. The Architect's response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness. If appropriate, the Architect shall prepare and issue supplemental Drawings and Specifications in response to the requests for information.

§ 3.6.4.5 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 3.6.5 Changes in the Work

§ 3.6.5.1 The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to Section 4.2, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

§ 3.6.5.2 The Architect shall maintain records relative to changes in the Work.

§ 3.6.6 Project Completion

§ 3.6.6.1 The Architect shall:

- .1 conduct inspections to determine the date or dates of Substantial Completion and the date of final completion;
- .2 issue Certificates of Substantial Completion;
- .3 forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and received from the Contractor; and,
- .4 issue a final Certificate for Payment based upon a final inspection indicating that, to the best of the Architect's knowledge, information, and belief, the Work complies with the requirements of the Contract Documents.

§ 3.6.6.2 The Architect's inspections shall be conducted with the Owner to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

§ 3.6.6.3 When Substantial Completion has been achieved, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including the amount to be retained from the Contract Sum, if any, for final completion or correction of the Work.

§ 3.6.6.4 The Architect shall forward to the Owner the following information received from the Contractor: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (2) affidavits, receipts, releases and waivers of liens, or bonds indemnifying the Owner against liens; and (3) any other documentation required of the Contractor under the Contract Documents.

§ 3.6.6.5 Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

ARTICLE 4 SUPPLEMENTAL AND ADDITIONAL SERVICES

§ 4.1 Supplemental Services

§ 4.1.1 The services listed below are not included in Basic Services but may be required for the Project. The Architect shall provide the listed Supplemental Services only if specifically designated in the table below as the Architect's responsibility, and the Owner shall compensate the Architect as provided in Section 11.2. Unless otherwise specifically addressed in this Agreement, if neither the Owner nor the Architect is designated, the parties agree that the listed Supplemental Service is not being provided for the Project.

(Designate the Architect's Supplemental Services and the Owner's Supplemental Services required for the Project by indicating whether the Architect or Owner shall be responsible for providing the identified Supplemental Service. Insert a description of the Supplemental Services in Section 4.1.2 below or attach the description of services as an exhibit to this Agreement.)

Supplemental Services	Responsibility <i>(Architect, Owner, or not provided)</i>
§ 4.1.1.1 Programming	Architect
§ 4.1.1.2 Multiple preliminary designs	Architect
§ 4.1.1.3 Measured drawings	Architect
§ 4.1.1.4 Existing facilities surveys	NA
§ 4.1.1.5 Site evaluation and planning	
§ 4.1.1.6 Building Information Model management responsibilities	Not Provided
§ 4.1.1.7 Development of Building Information Models for post construction use	Not Provided
§ 4.1.1.8 Civil engineering	Owner
§ 4.1.1.9 Landscape design	Owner
§ 4.1.1.10 Architectural interior design	Architect
§ 4.1.1.11 Value analysis	Not Provided

§ 4.1.1.12	Detailed cost estimating beyond that required in Section 6.3	Owner
§ 4.1.1.13	On-site project representation	Not Provided
§ 4.1.1.14	Conformed documents for construction	Architect
§ 4.1.1.15	As-designed record drawings	Architect
§ 4.1.1.16	As-constructed record drawings	Architect
§ 4.1.1.17	Post-occupancy evaluation	Owner
§ 4.1.1.18	Facility support services	Not Provided
§ 4.1.1.19	Tenant-related services	Not Provided
§ 4.1.1.20	Architect's coordination of the Owner's consultants	Architect
§ 4.1.1.21	Telecommunications/data design	Owner
§ 4.1.1.22	Security evaluation and planning	Owner
§ 4.1.1.23	Commissioning	Not Provided
§ 4.1.1.24	Sustainable Project Services pursuant to Section 4.1.3	Not Provided
§ 4.1.1.25	Fast-track design services	Not Provided
§ 4.1.1.26	Multiple bid packages	
§ 4.1.1.27	Historic preservation	Not Provided
§ 4.1.1.28	Furniture, furnishings, and equipment design	Architect
§ 4.1.1.29	Other services provided by specialty Consultants	
§ 4.1.1.30	Other Supplemental Services	

§ 4.1.2 Description of Supplemental Services

§ 4.1.2.1 A description of each Supplemental Service identified in Section 4.1.1 as the Architect's responsibility is provided below.

(Describe in detail the Architect's Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit. The AIA publishes a number of Standard Form of Architect's Services documents that can be included as an exhibit to describe the Architect's Supplemental Services.)

Interior Design:	\$ 825
Reimbursables Allowance:	\$ 10,500
Stakeholder Presentations:	\$ 10,500
Community Meetings:	\$ 7,000
Cost Estimator (Estimate):	\$ 2,250
Coordination (5%):	\$ 1,928
Specialty Consultant Coordination (10%):	\$ 3,857

§ 4.1.2.2 A description of each Supplemental Service identified in Section 4.1.1 as the Owner's responsibility is provided below.

(Describe in detail the Owner's Supplemental Services identified in Section 4.1.1 or, if set forth in an exhibit, identify the exhibit.)

Topographic Site Survey \$5,000 Estimated
Civil Engineering (on site) \$ 3,750 Estimated
Civil Engineering (off site) \$ 2,250 Estimated
Landscape Design: \$ 1,500 Estimated

§ 4.1.3 If the Owner identified a Sustainable Objective in Article 1, the Architect shall provide, as a Supplemental Service, the Sustainability Services required in AIA Document E204™–2017, Sustainable Projects Exhibit, attached to this Agreement. The Owner shall compensate the Architect as provided in Section 11.2.

§ 4.2 Architect's Additional Services

The Architect may provide Additional Services after execution of this Agreement without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3 and an appropriate adjustment in the Architect's schedule.

§ 4.2.1 Upon recognizing the need to perform the following Additional Services, the Architect shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Architect shall not proceed to provide the following Additional Services until the Architect receives the Owner's written authorization:

- .1 Services necessitated by a change in the Initial Information, previous instructions or approvals given by the Owner, or a material change in the Project including size, quality, complexity, the Owner's schedule or budget for Cost of the Work, or procurement or delivery method;
- .2 Services necessitated by the enactment or revision of codes, laws, or regulations, including changing or editing previously prepared Instruments of Service;
- .3 Changing or editing previously prepared Instruments of Service necessitated by official interpretations of applicable codes, laws or regulations that are either (a) contrary to specific interpretations by the applicable authorities having jurisdiction made prior to the issuance of the building permit, or (b) contrary to requirements of the Instruments of Service when those Instruments of Service were prepared in accordance with the applicable standard of care;
- .4 Services necessitated by decisions of the Owner not rendered in a timely manner or any other failure of performance on the part of the Owner or the Owner's consultants or contractors;
- .5 Preparing digital models or other design documentation for transmission to the Owner's consultants and contractors, or to other Owner-authorized recipients;
- .6 Preparation of design and documentation for alternate bid or proposal requests proposed by the Owner;
- .7 Preparation for, and attendance at, a public presentation, meeting or hearing;
- .8 Preparation for, and attendance at, a dispute resolution proceeding or legal proceeding, except where the Architect is party thereto;
- .9 Evaluation of the qualifications of entities providing bids or proposals;
- .10 Consultation concerning replacement of Work resulting from fire or other cause during construction; or,
- .11 Assistance to the Initial Decision Maker, if other than the Architect.

§ 4.2.2 To avoid delay in the Construction Phase, the Architect shall provide the following Additional Services, notify the Owner with reasonable promptness, and explain the facts and circumstances giving rise to the need. If, upon receipt of the Architect's notice, the Owner determines that all or parts of the services are not required, the Owner shall give prompt written notice to the Architect of the Owner's determination. The Owner shall compensate the Architect for the services provided prior to the Architect's receipt of the Owner's notice.

- .1 Reviewing a Contractor's submittal out of sequence from the submittal schedule approved by the Architect;
- .2 Responding to the Contractor's requests for information that are not prepared in accordance with the Contract Documents or where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;
- .3 Preparing Change Orders and Construction Change Directives that require evaluation of Contractor's proposals and supporting data, or the preparation or revision of Instruments of Service;
- .4 Evaluating an extensive number of Claims as the Initial Decision Maker; or,
- .5 Evaluating substitutions proposed by the Owner or Contractor and making subsequent revisions to Instruments of Service resulting therefrom.

§ 4.2.3 The Architect shall provide Construction Phase Services exceeding the limits set forth below as Additional Services. When the limits below are reached, the Architect shall notify the Owner:

- .1 Two (2) reviews of each Shop Drawing, Product Data item, sample and similar submittals of the Contractor
- .2 Forty-Eight (48) visits to the site by the Architect during construction
- .3 Two (2) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents
- .4 Two (2) inspections for any portion of the Work to determine final completion.

§ 4.2.4 Except for services required under Section 3.6.6.5 and those services that do not exceed the limits set forth in Section 4.2.3, Construction Phase Services provided more than 60 days after (1) the date of Substantial Completion of the Work or (2) the initial date of Substantial Completion identified in the agreement between the Owner and Contractor, whichever is earlier, shall be compensated as Additional Services to the extent the Architect incurs additional cost in providing those Construction Phase Services.

§ 4.2.5 If the services covered by this Agreement have not been completed within Thirty (30) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

ARTICLE 5 OWNER'S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program, which shall set forth the Owner's objectives; schedule; constraints and criteria, including space requirements and relationships; flexibility; expandability; special equipment; systems; and site requirements.

§ 5.2 The Owner shall establish the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner's other costs; and, (3) reasonable contingencies related to all of these costs. The Owner shall update the Owner's budget for the Project as necessary throughout the duration of the Project until final completion. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 5.3 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 5.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions, and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.5 The Owner shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 5.6 The Owner shall provide the Supplemental Services designated as the Owner's responsibility in Section 4.1.1.

§ 5.7 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E204™-2017, Sustainable Projects Exhibit, attached to this Agreement.

§ 5.8 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated as the responsibility of the Architect in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 5.9 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.10 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may

be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.11 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 5.12 The Owner shall include the Architect in all communications with the Contractor that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect.

§ 5.13 Before executing the Contract for Construction, the Owner shall coordinate the Architect's duties and responsibilities set forth in the Contract for Construction with the Architect's services set forth in this Agreement. The Owner shall provide the Architect a copy of the executed agreement between the Owner and Contractor, including the General Conditions of the Contract for Construction.

§ 5.14 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

§ 5.15 Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of, or enforce lien rights.

ARTICLE 6 COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise furnished by, the Owner. The Cost of the Work does not include the compensation of the Architect; the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work, prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials, or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market, or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding, and price escalation; to determine what materials, equipment, component systems, and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility in Section 4.1.1, as a Supplemental Service.

§ 6.4 If, through no fault of the Architect, the Procurement Phase has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality, or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1** give written approval of an increase in the budget for the Cost of the Work;

- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;
- .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or,
- .5 implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services for modifying the Construction Documents shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.

ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 7.3 The Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations under this Agreement, including prompt payment of all sums due pursuant to Article 9 and Article 11. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.3, solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 7.5 Except as otherwise stated in Section 7.3, the provisions of this Article 7 shall survive the termination of this Agreement.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 General

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise, in accordance with the requirements of the

binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201–2017, General Conditions of the Contract for Construction. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents, and employees of any of them, similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes, or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.7.

§ 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Agreement. A request for mediation shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed pursuant to this section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 8.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:
(Check the appropriate box.)

- ☐ Arbitration pursuant to Section 8.3 of this Agreement
- ☒ Litigation in a court of competent jurisdiction
- ☐ Other: *(Specify)*

If the Owner and Architect do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.

ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Owner shall pay the Architect all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 If the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall compensate the Architect for services performed prior to termination, Reimbursable Expenses incurred, and costs attributable to termination, including the costs attributable to the Architect's termination of consultant agreements.

§ 9.7 In addition to any amounts paid under Section 9.6, if the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall pay to the Architect the following fees:

(Set forth below the amount of any termination or licensing fee, or the method for determining any termination or licensing fee.)

.1 Termination Fee:

\$0.00.00

.2 Licensing Fee if the Owner intends to continue using the Architect's Instruments of Service:

None

§ 9.8 Except as otherwise expressly provided herein, this Agreement shall terminate one year from the date of Substantial Completion.

§ 9.9 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and Section 9.7.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns, and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement, including any payments due to the Architect by the Owner prior to the assignment.

§ 10.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services, or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Owner or Architect.

§ 10.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project. This Section 10.7 shall survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 9.4.

§ 10.8 If the Architect or Owner receives information specifically designated as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except as set forth in Section 10.8.1. This Section 10.8 shall survive the termination of this Agreement.

§ 10.8.1 The receiving party may disclose "confidential" or "business proprietary" information after 7 days' notice to the other party, when required by law, arbitrator's order, or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or to the extent such information is reasonably necessary for the receiving party to defend itself in any dispute. The receiving party may also disclose such information to its employees, consultants, or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of such information as set forth in this Section 10.8.

§ 10.9 The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

- .1 Stipulated Sum
(Insert amount)

Phase I - Basic Services:
Programming
Architectural Site Layout Design
Preliminary Entitlements
Concept Design through Schematic Design
Phase I - Basic Services \$36,235
- .2 Percentage Basis
(Insert percentage value)

NA
- .3 Other
(Describe the method of compensation)

NA

§ 11.2 For the Architect's Supplemental Services designated in Section 4.1.1 and for any Sustainability Services required pursuant to Section 4.1.3, the Owner shall compensate the Architect as follows:
(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:
(Insert amount of, or basis for, compensation.)

§ 11.4 Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus Fifteen percent (15 %), or as follows:
(Insert amount of, or basis for computing, Architect's consultants' compensation for Supplemental or Additional Services.)

§ 11.5 When compensation for Basic Services is based on a stipulated sum or a percentage basis, the proportion of compensation for each phase of services shall be as follows:

Schematic Design Phase	Fifteen percent (15.00 %)
Design Development Phase	Twenty percent (20.00 %)
Construction Documents Phase	Thirty-Five percent (35.00 %)
Procurement Phase	Five percent (5.00 %)
Construction Phase	Twenty-Five percent (25.00 %)
Total Basic Compensation	one hundred percent (100.00 %)

§ 11.6 When compensation identified in Section 11.1 is on a percentage basis, progress payments for each phase of Basic Services shall be calculated by multiplying the percentages identified in this Article by the Owner's most recent budget for the Cost of the Work. Compensation paid in previous progress payments shall not be adjusted based on subsequent updates to the Owner's budget for the Cost of the Work.

§ 11.6.1 When compensation is on a percentage basis and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices. *(If applicable, attach an exhibit of hourly billing rates or insert them below.)*

Employee or Category	Rate (\$0.00)
Principal	\$225/hour
Sr. Project Architect	\$195/hour
Project Architect	\$175/hour
Sr. Project Manager	\$195/hour
Project Manager	\$175/hour
Architectural Designer II	\$145/hour
Architectural Designer I	\$125/hour
Interior Designer	\$175/hour
Administrative	\$100/hour

§ 11.8 Compensation for Reimbursable Expenses

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Permitting and other fees required by authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the Project;
- .8 If required by the Owner, and with the Owner's prior written approval, the Architect's consultants' expenses of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits in excess of that normally maintained by the Architect's consultants;
- .9 All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses;
- .11 Registration fees and any other fees charged by the Certifying Authority or by other entities as necessary to achieve the Sustainable Objective; and,
- .12 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus Fifteen percent (15.00 %) of the expenses incurred.

§ 11.9 Architect's Insurance. If the types and limits of coverage required in Section 2.5 are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect for the additional costs incurred by the Architect for the additional coverages as set forth below:

(Insert the additional coverages the Architect is required to obtain in order to satisfy the requirements set forth in

Section 2.5, and for which the Owner shall reimburse the Architect.)

§ 11.10 Payments to the Architect

§ 11.10.1 Initial Payments

§ 11.10.1.1 An initial payment of Zero Dollars and Zero Cents (\$ 0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.10.1.2 If a Sustainability Certification is part of the Sustainable Objective, an initial payment to the Architect of Zero Dollars and Zero Cents (\$ 0.00) shall be made upon execution of this Agreement for registration fees and other fees payable to the Certifying Authority and necessary to achieve the Sustainability Certification. The Architect's payments to the Certifying Authority shall be credited to the Owner's account at the time the expense is incurred.

§ 11.10.2 Progress Payments

§ 11.10.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid Thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

(Insert rate of monthly or annual interest agreed upon.)

2.00 % monthly

§ 11.10.2.2 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work, unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.10.2.3 Records of Reimbursable Expenses, expenses pertaining to Supplemental and Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

(Include other terms and conditions applicable to this Agreement.)

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents identified below:

- .1 AIA Document B101™-2017, Standard Form Agreement Between Owner and Architect
- .2 Building Information Modeling Exhibit, if completed:

- .3 Exhibits:
(Check the appropriate box for any exhibits incorporated into this Agreement.)

☐ AIA Document E204™-2017, Sustainable Projects Exhibit, dated as indicated below:
(Insert the date of the E204-2017 incorporated into this agreement.)

☐ Other Exhibits incorporated into this Agreement:

(Clearly identify any other exhibits incorporated into this Agreement, including any exhibits and scopes of services identified as exhibits in Section 4.1.2.)

- .4** Other documents:
(List other documents, if any, forming part of the Agreement.)

This Agreement entered into as of the day and year first written above.

OWNER *(Signature)*

BY: Ruth Pierce, Mayor

(Printed name and title)

ARCHITECT *(Signature)*

BY: Matt Huffield, Managing Partner

(Printed name, title, and license number if required)

Additions and Deletions Report for AIA® Document B101® – 2017

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 11:10:45 MDT on 03/10/2025.

Changes to original AIA text

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~~(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)~~

The program may consist of the following items: officer intake area, evidence storage, vehicle intake area, garage space for vehicle storage and an enclosed yard for storage of larger items.

~~(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)~~

The Twin Falls Police Evidence and Storage Facility will be located at 420 Victory Avenue, Twin Falls, ID 83301. Utilities are presumed to be accessible from nearby roadways. Geotechnical reports and boundary surveys will be conducted to assess the current site conditions.

Phase I budget of \$36,235

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.4Police Facility Specialist:

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§ 2.5.1 Commercial General Liability with policy limits of not less than One Million Dollars and Zero Cents (\$ 1,000,000.00) for each occurrence and One Million Dollars and Zero Cents (\$ 1,000,000) in the aggregate for bodily injury and property damage.

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Supplemental Services	Responsibility (Architect, Owner, or not provided)
§ 4.1.1.1 Programming	<u>Architect</u>
§ 4.1.1.2 Multiple preliminary designs	<u>Architect</u>
§ 4.1.1.3 Measured drawings	<u>Architect</u>

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User Notes:

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§ 4.1.1.4	Existing facilities surveys	<u>NA</u>
§ 4.1.1.5	Site evaluation and planning	
§ 4.1.1.6	Building Information Model management responsibilities	<u>Not Provided</u>
§ 4.1.1.7	Development of Building Information Models for post construction use	<u>Not Provided</u>
§ 4.1.1.8	Civil engineering	<u>Owner</u>
§ 4.1.1.9	Landscape design	<u>Owner</u>
§ 4.1.1.10	Architectural interior design	<u>Architect</u>
§ 4.1.1.11	Value analysis	<u>Not Provided</u>
§ 4.1.1.12	Detailed cost estimating beyond that required in Section 6.3	<u>Owner</u>
§ 4.1.1.13	On-site project representation	<u>Not Provided</u>
§ 4.1.1.14	Conformed documents for construction	<u>Architect</u>
§ 4.1.1.15	As-designed record drawings	<u>Architect</u>
§ 4.1.1.16	As-constructed record drawings	<u>Architect</u>
§ 4.1.1.17	Post-occupancy evaluation	<u>Owner</u>
§ 4.1.1.18	Facility support services	<u>Not Provided</u>
§ 4.1.1.19	Tenant-related services	<u>Not Provided</u>
§ 4.1.1.20	Architect's coordination of the Owner's consultants	<u>Architect</u>
§ 4.1.1.21	Telecommunications/data design	<u>Owner</u>
§ 4.1.1.22	Security evaluation and planning	<u>Owner</u>
§ 4.1.1.23	Commissioning	<u>Not Provided</u>
§ 4.1.1.24	Sustainable Project Services pursuant to Section 4.1.3	<u>Not Provided</u>
§ 4.1.1.25	Fast-track design services	<u>Not Provided</u>
§ 4.1.1.26	Multiple bid packages	
§ 4.1.1.27	Historic preservation	<u>Not Provided</u>
§ 4.1.1.28	Furniture, furnishings, and equipment design	<u>Architect</u>
§ 4.1.1.29	Other services provided by specialty Consultants	
§ 4.1.1.30	Other Supplemental Services	

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§ 8.3 Arbitration

~~§ 8.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration, which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of this Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration.~~

~~§ 8.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.~~

~~§ 8.3.2 The foregoing agreement to arbitrate, and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement, shall be specifically enforceable in accordance with applicable law.~~

in any court having jurisdiction thereof.

~~§ 8.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.~~

~~§ 8.3.4 Consolidation or Joinder~~

~~§ 8.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).~~

~~§ 8.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.~~

~~§ 8.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.~~

~~§ 8.4 The provisions of this Article 8 shall survive the termination of this Agreement.~~

PAGE 19

Phase I - Basic Services:

Programming

Architectural Site Layout Design

Preliminary Entitlements

Concept Design through Schematic Design

Phase I - Basic Services \$36,235

— () % of the Owner's budget for the Cost of the Work, as calculated in accordance with Section 11.6.

NA

PAGE 20

PAGE 21

Employee or Category	Rate (\$0.00)
<u>Principal</u>	<u>\$225/hour</u>
<u>Sr. Project Architect</u>	<u>\$195/hour</u>
<u>Project Architect</u>	<u>\$175/hour</u>
<u>Sr. Project Manager</u>	<u>\$195/hour</u>
<u>Project Manager</u>	<u>\$175/hour</u>
<u>Architectural Designer II</u>	<u>\$145/hour</u>
<u>Architectural Designer I</u>	<u>\$125/hour</u>

Interior Designer
Administrative

\$175/hour
\$100/hour

Variable Information

PAGE 1

AGREEMENT made as of the fifth day of March in the year Two Thousand Twenty-Five

City of Twin Falls

203 Main Avenue East
Twin Falls, ID 83301

(208)736-2296

Cole Architects, PLLC

404 S 8th Street #250
Boise, ID 83702

(208) 345-1800

Twin Falls Police Storage and Evidence Facility

420 Victory Avenue
Twin Falls, ID 83301

Approximately 17,000 sf police evidence and storage facility to include officer intake area, evidence storage, vehicle intake area, garage space for vehicle storage, an enclosed yard for storage of larger items that do not need protection from the weather. Design fees for the current scope of work is based on an estimated overall construction budget of \$ 2.9 Million, with an intent to develop and finalize project scope during Phase I. Final building square footage will be determined by programming and budget available.

PAGE 3

Phase I services are anticipated to be substantially complete by July 15, 2025.

Phase II services will follow upon notice to proceed by City of Twin Falls,

To be Determined

None

CM/GC (Construction Manager/General Contractor)

NA

Mandi Thompson

203 Main Avenue East
Twin Falls, ID 83301

2087357237

mthompson@tfid.org

None

TBD

PAGE 4

TBD

Matt Huffield

404 S 8th Street #250

Boise, ID 83702

(208) 345-1800

matt@colearchitects.com

Cole Architects

Ryan Beneduce, PE

404 S. 8th street #250

ECI

303 S Federal Way #5925

Boise, ID, 83705

ECI

303 S Federal Way #5925

Boise, ID, 83705

PAGE 5

Roth Shepard

Brian Berryhill

3370 Walnut St

Denver, Colorado, 80205

§ 2.5.1 Commercial General Liability with policy limits of not less than One Million Dollars and Zero Cents (\$ 1,000,000.00) for each occurrence and One Million Dollars and Zero Cents (\$ 1,000,000) in the aggregate for bodily injury and property damage.

§ 2.5.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Architect with policy limits of not less than One Million Dollars and Zero Cents (\$ 1,000,000.00) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

PAGE 6

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User Notes:

(678188321e67175afc4189a1)

§ 2.5.5 Employers' Liability with policy limits not less than One Million Dollars and Zero Cents (\$ 1,000,000.00) each accident, One Million Dollars and Zero Cents (\$ 1,000,000.00) each employee, and One Million Dollars and Zero Cents (\$ 1,000,000.00) policy limit.

§ 2.5.6 Professional Liability covering negligent acts, errors and omissions in the performance of professional services with policy limits of not less than Two Million Dollars and Zero Cents (\$ 2,000,000.00) per claim and Two Million Dollars and Zero Cents (\$ 2,000,000.00) in the aggregate.

PAGE 12

Interior Design: \$ 825
Reimbursables Allowance: \$ 10,500
Stakeholder Presentations: \$ 10,500
Community Meetings: \$ 7,000
Cost Estimator (Estimate): \$ 2,250
Coordination (5%) \$ 1,928
Specialty Consultant Coordination (10%): \$ 3,857
Topographic Site Survey \$5,000 Estimated
Civil Engineering (on site) \$ 3,750 Estimated
Civil Engineering (off site) \$ 2,250 Estimated
Landscape Design: \$ 1,500 Estimated

PAGE 13

- .1 Two (2) reviews of each Shop Drawing, Product Data item, sample and similar submittals of the Contractor
- .2 Forty-Eight (48) visits to the site by the Architect during construction
- .3 Two (2) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents
- .4 Two (2) inspections for any portion of the Work to determine final completion.

§ 4.2.5 If the services covered by this Agreement have not been completed within Thirty (30) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

PAGE 17

[X] Litigation in a court of competent jurisdiction

PAGE 18

\$0.00.00

None

PAGE 20

NA

§ 11.4 Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus Fifteen percent (15 %), or as follows:

Schematic Design Phase	<u>Fifteen</u> percent (<u>15.00</u> %)
Design Development Phase	<u>Twenty</u> percent (<u>20.00</u> %)
Construction Documents Phase	<u>Thirty-Five</u> percent (<u>35.00</u> %)
Procurement Phase	<u>Five</u> percent (<u>5.00</u> %)
Construction Phase	<u>Twenty-Five</u> percent (<u>25.00</u> %)
Total Basic Compensation	one hundred percent (100.00 %)

PAGE 21

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus Fifteen percent (15.00 %) of the expenses incurred.

§ 11.10.1.1 An initial payment of Zero Dollars and Zero Cents (\$ 0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.10.1.2 If a Sustainability Certification is part of the Sustainable Objective, an initial payment to the Architect of Zero Dollars and Zero Cents (\$ 0.00) shall be made upon execution of this Agreement for registration fees and other fees payable to the Certifying Authority and necessary to achieve the Sustainability Certification. The Architect's payments to the Certifying Authority shall be credited to the Owner's account at the time the expense is incurred.

§ 11.10.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid Thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

2.00 % monthly

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, , hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 11:10:45 MDT on 03/10/2025 under Order No. 20240072097 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document B101™ - 2017, Standard Form of Agreement Between Owner and Architect, other than those additions and deletions shown in the associated Additions and Deletions Report.

(Signed)

(Title)

(Dated)



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: Nathan Erickson, Environmental Manager

ACTION ITEM

Request:

Authorize city staff to enter into negotiations with Hazen and Sawyer regarding the Scope of Work for the Canyon Rim Drop Line project.

Time Estimate:

The staff presentation will take approximately five minutes.

Background:

The Grandview wastewater trunkline in Twin Falls plays a crucial role in transporting nearly half of the city's wastewater, approximately 4 to 5 million gallons daily, to the wastewater treatment plant. To enhance the system's reliability, the city has budgeted for the Canyon Rim Drop Line project to add a redundant sewer line from the canyon rim. This project will include installing a new control box above the canyon rim, a sewer drop line, and an energy dissipation box in the canyon.

The project will involve multiple engineering disciplines, such as geotechnical, structural, and wastewater collection. As part of the preparation for this project, city staff issued a project specific Request for Qualifications (RFQ) (see attached) and received Statements of Qualifications (SOQs) from seven engineering firms. After thoroughly evaluating the submissions, Hazen and Sawyer was selected as the most qualified firm (see attached SOQ).

Hazen and Sawyer is a national engineering firm specializing in water projects with an office in Boise. Hazen and Sawyer's responsibilities are expected to include developing cost estimates, plans, and specifications that adhere to Idaho Standards for Public Works Construction and Twin Falls City code. Additionally, they will collaborate with the Idaho Department of Environmental Quality, adjacent property owners, and other key stakeholders. This project underscores the importance of ensuring the resilience of the wastewater system while maintaining regulatory compliance and promoting community engagement.

Approval Process:

N/A

Budget Impact:

N/A

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

City staff evaluated the qualifications of seven engineering firms for the Canyon Rim Drop Line project and selected Hazen and Sawyer. Staff recommend starting negotiations with Hazen and Sawyer regarding the project's scope of work.

Attachments:

1. Canyon Rim Drop Line RFQ
2. Hazen and Sawyer_Submission



P.O. Box 1907

119 South Park Ave. West

Twin Falls, Idaho 83303-1907

Fax: (208) 736-2275

PUBLIC WORKS

208-736-2275

January 6, 2025

**Request for Qualifications
Canyon Rim Drop Line
Project**

Purpose:

The City of Twin Falls is seeking a qualified and experienced civil engineering firm to provide engineering services for a project in Twin Falls, Idaho. The project encompasses a variety of civil engineering disciplines and requires a comprehensive design approach.

Background:

The Grandview trunkline in the City of Twin Falls (City) is a crucial infrastructure component, carrying nearly half of the City's wastewater flow, approximately 4-5 million gallons per day (MGD), directly to the wastewater treatment plant. The flow enters a box on the canyon rim and is directed into a manhole connected to a 24-inch HDPE pipe. This pipeline runs through a 30-inch boring from the canyon rim down to the upper talus slope below, with parts of the pipe visible before being buried. At the bottom of the canyon, the wastewater flows into an energy dissipation box, which then directs it to the wastewater treatment plant located across the road. Recognizing the importance of maintaining and enhancing this system, the City is evaluating the options for a redundant sewer line from above the canyon rim to the wastewater treatment plant. The addition of a redundant sewer line will likely include a new control box above the canyon rim, a new sewer drop line, and an energy dissipation box in the canyon.

The project will include multiple engineering disciplines, including geotechnical, structural, wastewater collection, and environmental.

The successful firm is anticipated to enter into an agreement with the City to perform professional services, which may include preparing cost estimates, plans, bid documents, and specifications utilizing Idaho Standards for Public Works Construction, the City Revisions thereto, and Twin Falls City code.

The design firm may need to work with the Idaho Department of Environmental Quality, other engineering professionals, adjacent property owners, and others.

Preliminary Project Scope:

- Determine the most suitable location above the canyon rim to design a wastewater control structure along the existing Grandview wastewater trunk line. This structure will facilitate the connection of a new redundant drop line and enable the control of wastewater flow between the existing and new drop lines.
- Design a new wastewater drop line with a capacity equal to or greater than the existing 24-inch HDPE drop line for the Grandview wastewater trunk line. Include design, site assessments to identify the optimal route, detailed construction methods for conveyance, pipe installation, backfilling, and site restoration.
- Identify and create a detailed design for an energy dissipation box for the new wastewater drop line. The design should facilitate a seamless and efficient connection, ensuring that the energy dissipation box integrates smoothly with the existing infrastructure, enabling a reliable connection to the wastewater treatment plant. Consideration should be given to the hydraulic performance and structural integrity of the energy dissipation box to manage the flow effectively.
- While designing the project, consider its overall impact on the system, ways to enhance airflow in the sewer trunklines, and any potential odors that may arise that should be addressed.

Submittal Information Requested / Qualifications:

1. **Qualifications of Project Manager** - Provide relevant qualifications and experience for the project manager chosen by your firm for this specific project. It is expected that the project manager listed will be utilized for the project.
2. **Qualifications of the Firm and Staff** - Provide roles, availability, and physical location of the personnel involved with this project. Differentiate between team members who will have day-to-day involvement and those who will only have occasional involvement. (i.e., in a QC role, being involved in only a specific task, etc.)
3. **Relevant Project Experience and References** - List and describe similar relevant projects performed by the team members and their specific project roles. Identify the owner of each relevant project along with the contact's name and phone number. Selected references may be contacted.
4. **Initial Project Approach** - Describe the project approach, proposed methods, and anticipated typical timeline to complete the project.

Submittals Requirements:

Provide three hard bound copies and/or an electronic submittal in .pdf format, ten pages maximum length, single-sided 8.5" × 11" sheets with font size 12 or larger. The ten-maximum page count will not include a single front page cover sheet or letter. The ten-maximum page count will not include a single back cover sheet. There should be no expectation of any information on the front cover sheet, cover letter, or back cover sheet being reviewed or counting toward the score.

Submittal:

Proposals must be **received no later than February 6, 2025, at 5:00 pm**, in a sealed envelope or package marked REQUEST FOR QUALIFICATIONS—CANYON RIM DROP LINE PROJECT, with the firm’s name and address indicated on the package.

If submitting hard-bound proposals submit them to:

City of Twin Falls – Public Works

Attn: Nathan Erickson

119 South Park Ave West

P.O. Box 1907

Twin Falls, ID 83303-1907

Or if submitting electronic proposals submit them to nerickson@tfid.org.

Selection Process:

Each consultant will be ranked using the criteria below. The City will move forward with the highest rank consultant, having them provide a scope of services outlining required professional services and associated costs. If the consultant and the City agree to all terms outlined in the proposed scope of service and fee, the City will enter into an agreement with the firm to contract for professional services. If unable to negotiate a reasonable and fair contract, the City shall negotiate with the next ranked respondent.

<u>Criteria</u>	<u>Rating</u>	<u>Weight</u>	<u>Score</u>
Proposal Format / Content (<i>appearance</i>)		5%	
Project Manager Qualifications		20%	
Personnel Qualifications		25%	
Relevant Experience & References		25%	
Initial Project Approach		25%	
Total Points			

(Rating x Weight) = Score (5 points maximum)

Rating Points:

5.0 – Excellent

4.0 – Good

3.0 – Meets Minimum Expectations

2.0 – Unsatisfactory

1.0 – Poor

0.0 – Bad

Fractional ratings may be used (*e.g.*, 2.25 or 4.5).

Point of Contact:

Nathan Erickson, Environmental Manager, City of Twin Falls.

Phone #: 208-735-7272

Email: nerickson@tfid.org (Please include “Canyon Rim Drop Line RFQ” in the subject line)

There should be no expectation of questions regarding the RFQ being answered after January 31, 2025.



Request for Qualifications Canyon Rim Drop Line Project

February 6, 2025



Hazen and Sawyer
3597 E. Monarch Sky Lane, Suite 240
Meridian, Idaho 83646

February 6, 2025

City of Twin Falls – Public Works

119 South Park Ave West

Twin Falls, ID 83303-1907

RE: Canyon Rim Drop Line Project

Dear Mr. Erickson and Selection Committee:

As a national engineering firm specializing in “all things water,” we are pleased to submit this proposal for the Canyon Rim Drop Line Project. I know this project is very important to the City, and I look forward to working with you as the project manager for our team. We have had success together in the past and I look forward to building upon that success. As the project manager, I will ensure your project is a high priority and your needs are addressed. I know this project is by no means a typical run-of-the-mill project. There are so many complicated aspects to this project that will require technical knowledge in many specific areas. We have identified the challenging aspects of this project and have assembled a team that has the experience and expertise to analyze the specific challenges associated with this project.

Our team has successfully delivered challenging projects for many of our clients across the country. Our team is passionate about what we do and we look forward to partnering with you to determine the best solutions to meet your needs and goals. We know you have a lot of choices when it comes to choosing an engineering team. This is noteworthy as it gives you choices. However, it can also be challenging as your passion will want you to choose the right team for your project. Just a few reasons to pick Hazen include:

A Collaborative Approach. We know that challenging projects require custom solutions, and custom solutions requires collaboration with the complete team, which includes the City. The standard Hazen project approach centers around collaboration. Our team will work closely with you, listening to your experiences and needs so that we can assist you in making the best decisions. Our collaboration with you will be through personal communication, meetings, and workshops and will culminate in public engagement efforts.

The Right Team. The people that are shown on our organization chart are committed to your project. Each member of our team is an expert in their field. This expertise includes tunneling/boring technologies, sewer design, steep terrain, complicated pipeline hydraulics, energy dissipation, local subsurface geology, and public engagement. In fact, members of our team have direct experience in pipeline analysis and design of other local pipeline projects traversing the Snake River Canyon cliffs.

Demonstrated Experience. Every day, our team works on complicated projects with challenges similar to the Canyon Rim Drop Line. Hazen and our team has decades of project experience across hundreds of successful projects that include analysis, design, and construction of complicated pipeline projects. We are always learning and striving to be innovative in our approaches and techniques to provide the best service possible to our clients. We will apply knowledge and innovation to your project to continue our tradition of success.

On behalf of our team, we truly look forward to working and collaborating with you on this very important project. Should you have any questions, feel free to reach out to me at mbundy@hazenandsawyer.com or (208) 297-0355.

Sincerely,

Michael Bundy, PE
Project Manager

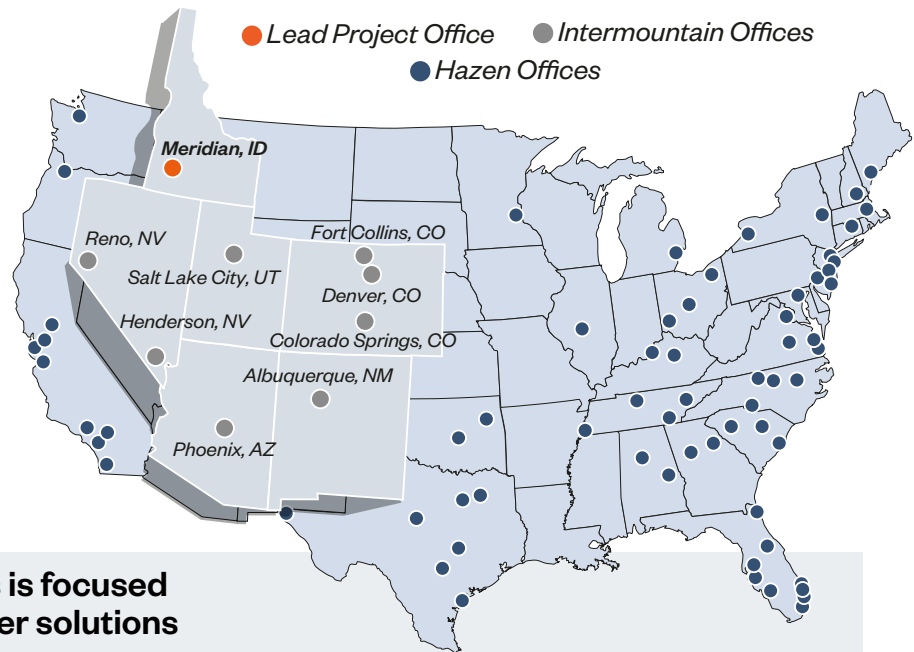
About Hazen and Sawyer

Engineering News-Record (ENR) has consistently ranked Hazen one of the top firms in the nation entirely devoted to water and wastewater.

**Ranked 10th in
Drinking Water
in 2024**

**Ranked 7th in
Wastewater
in 2024**

**100% of our business is focused
on water and wastewater solutions**



Hazen's Meridian office delivers specialized expertise and responsiveness to Idaho communities.

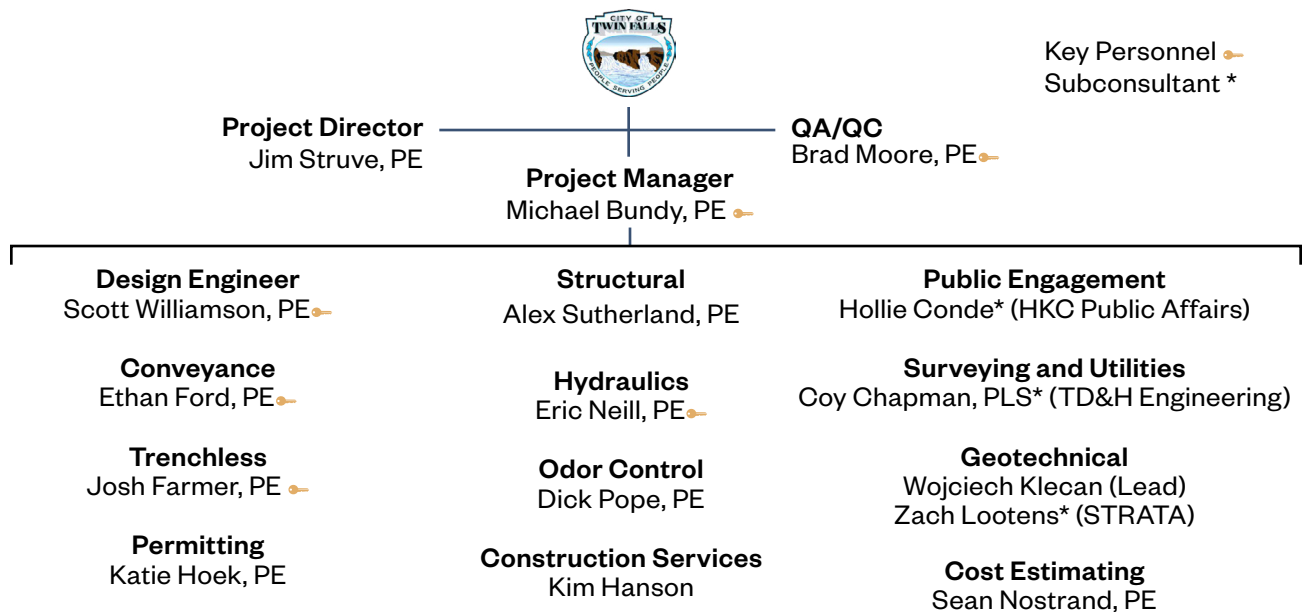
Founded in 1951, Hazen is a nationally recognized engineering consulting firm with a reputation for technical quality, responsive communication, and timely delivery of the services specified in this RFP. With talented local resources and the backing of a national firm **dedicated to “all things water,”** Hazen delivers best-value and customized solutions to cities, counties, utilities, and municipalities across the nation.

We established our Meridian, Idaho office to provide more responsive project management and enhance our ability to address the unique needs of Idaho communities like Twin Falls. By having an in-state presence, we are better positioned to understand the specific challenges and opportunities facing the region, ensuring that our solutions are tailored to your community's needs. Our team's proximity allows us to maintain strong communication, respond quickly to project developments, and provide hands-on support throughout all phases of a project. This focus enables us to deliver efficient and effective services that align with Twin Falls' goals.

Our Meridian office strengthens our in-depth knowledge of the regional contracting and construction management market. This allows us to identify the best-fit contractors and construction practices for projects, ensuring successful and cost-effective outcomes. We are proud to be part of the Idaho community and remain committed to building a lasting partnership with Twin Falls. By fostering collaboration and trust, we aim to deliver high-quality results that benefit the City and our staff's communities for years to come.

Project Team

The project team assembled for this effort brings a wealth of experience and expertise in wastewater infrastructure design and construction. Led by a seasoned project manager with a proven track record in delivering complex municipal projects, the team includes specialists in hydraulic analysis, geotechnical assessments, trenchless methods, risk assessments, structural engineering, and environmental compliance. This assembled team allows us to offer you a **streamlined, comprehensive, and multidisciplinary approach to meet the project's goals**. The Hazen team will drive this project while working collaboratively with the City. This collaboration ensures that the City's expectations for quality, efficiency, and regulatory compliance are met. The following showcases and highlights our key personnel.



Key Personnel



"Our team is thrilled to collaborate with Twin Falls on this technically challenging project. We're excited to bring our expertise and innovative approach to design a solution that enhances the reliability and efficiency of the wastewater collection system while meeting the city's long-term needs. Partnering with a proactive-thinking community like Twin Falls is an incredible opportunity, and we're committed to delivering a project that exceeds expectations."

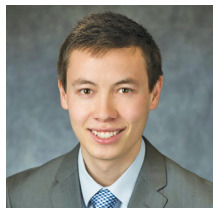
Michael Bundy, PE

Project Manager

Location: Boise, ID | **Availability:** 40%

Michael has 24 years of experience in planning, design, and construction of water projects including pump stations, pipelines, and water/wastewater treatment facilities. Michael has served as project engineer, design manager, and project manager for pipeline projects ranging from 8-inches to 120-inches in diameter. This experience includes ductile iron, steel, stainless steel, PVC, HDPE, and FRP pipelines. Some of these projects have included complicated hydraulics, extreme elevation drops, and the need of energy dissipation structures. Michael's experience includes working with IDEQ and other local agencies in Idaho. Michael is well versed on ISPWC standards. **As a project manager, Michael's focus is to deliver successful projects through listening, regular collaboration, and active communication with both his clients and the project team.** Michael is excited to collaborate with the City to complete this highly important project. His recent work with Twin Falls includes:

- Wastewater Treatment Plant Secondary Clarifiers Rehabilitation Project, City of Twin Falls, ID
- Wastewater Treatment Plant Clarifiers Condition Assessment, City of Twin Falls, ID



Scott Williamson, PE

Design Engineer
Availability: 40%
Location: Reno, NV

Scott has more than nine years of experience in planning, design, permitting, and construction of sanitary sewer, potable water, stormwater, and civil site projects. He has led, designed, and/or managed over 100,000 linear feet (LF) of sanitary sewer (8-inch to 72-inch diameter), 10,000 LF of potable waterlines (6-inch to 144-inch diameter), and 20,000 LF of stormwater infrastructure. Scott is NASSCO-certified and has completed fall protection, confined space, and OSHA 10-hour training. He brings significant project relevant experience in trenchless construction technologies, sanitary sewer design and rehabilitation, pipe material selection, odor control systems, and hydraulic modeling.



Ethan Ford, PE

Conveyance Lead
Availability: 30%
Location: Denver, CO

Ethan has 18 years of experience in the conveyance industry on a variety of projects with local and regional clients across the country. His works includes over 500 miles of pipeline management, design, and construction ranging in diameters up to 144-inch. His work also includes sanitary sewer design, alternatives analysis, and complex hydraulic analysis.



Eric Neill, PE

Hydraulics
Availability: 15%
Location: Sacramento, CA

Eric brings expertise in conveyance and water resource projects, specializing in the design, construction, and assessment of municipal water systems, pump stations, canals, and large-diameter pipelines. He has extensive experience in construction inspection, change management, utility relocation, trenchless rehabilitation design, and emergency response planning.



Brad Moore, PE

QA/QC
Availability: 15%
Location: Portland, OR

Brad has 30+ years of experience serving municipal clients for infrastructure/conveyance projects including planning, design and construction of water, sanitary, storm and CSO conveyance systems. He has a successful history of working with Owners to mitigate risk and providing them with the information required to make sound design decisions. For this project he will utilize his extensive knowledge of pipeline design and construction methods to work with the project team to provide quality reviews in advance of the work, and for project deliverables.



Josh Farmer, PE

Trenchless Lead
Availability: 25%
Location: Raleigh, NC

Josh has 23 years of experience specializing in mechanized and conventional tunneling methods in a wide range of geologies including microtunneling, multi-mode TBM tunneling, horizontal directional drilling, a variety of types of conventional tunneling, dry bore reaming, pneumatic hammering and auger boring systems. He has designed and overseen construction of over 140 tunnel/trenchless drives totaling more than 300,000 feet ranging in diameter from 12" to 168" in 30 states as well as outside the U.S. (Canada, Ecuador, Columbia, and Israel). He also has significant experience as a Risk Manager on underground construction projects and in the selection analysis of pipe materials, linings, and coatings.

Key Subconsultants

- Headquartered in Boise, Idaho, **HKC Public Affairs** brings extensive experience in community engagement programs across the state of Idaho and will provide insight into building your organization's advocacy program.
- Headquartered in Boise, Idaho, **STRATA** provides professional geotechnical engineering, construction engineering materials testing, and special inspection services. Their staff has significant local, subgrade experience adjacent to and in the Snake River Canyon.
- TD&H Engineering** is a multi-state engineering firm that offers a variety of engineering services. They have a local surveying group that will provide surveying and other related activities on this project.

Project Experience and References

With decades of combined experience in wastewater system design, hydraulic analysis, and construction oversight, we have completed similar projects, including redundant drop lines, energy dissipation systems, and trunkline improvements that ensure seamless integration with existing infrastructure. Notably, our team has designed advanced control structures and energy dissipation solutions for challenging terrains, ensuring hydraulic efficiency and structural reliability. This **combination of technical excellence and practical know-how positions us to deliver a robust, innovative, and sustainable solution tailored to the unique requirements of this project**. The following showcases projects where we have delivered key scope elements similar to this project.



Project Profile

- **Reference:** Kelly Stevens, (801) 696-9134, stevens@mwdslls.org
- **Key Personnel:** Ethan Ford, Sean Nostrand, Brad Moore, and Eric Neill
- **Relevant Project Elements:** Steep slope installation, complex hydraulics, detailed analysis of alignments alternatives, managed bid phase services, work adjacent to high profile properties, and community engagement.

Salt Lake Aqueduct Replacement • Metropolitan

Water District of Salt Lake & Sandy, UT

Hazen designed 7,600 LF of 36-inch welded steel pipe and 13,800 LF of 60-, 66-, 69, and 72-inch welded steel pipe. Design included extensive and complex hydraulic analysis to ‘right size’ the pipe to accommodate short-term raw water transfers and future finished-water use, including surge analysis. **Alignment refinement and highly sensitive public impacts to homeowners and outreach were a critical component of the project.** The project includes geohazard identification and design at fault crossings, steep terrains, and areas with slope stability challenges.

The Hazen team managed the bid phase services and provided recommendations of award to the client. Currently the team is providing full time construction management services along with office services during construction.



Project Profile

- **Reference:** Traci Goldberg, (703) 289-6302, tgoldberg@fairfaxwater.org
- **Key Personnel:** Wojciech Klecan, Josh Farmer, Jacob Klingaman, and Kim Hanson
- **Relevant Project Elements:** Vertical excavation using dry boring methods (raise bore) of two 6-ft diameter shafts in high strength granitic rock. Lining and installing vertical piping. Included lining and installation of vertical piping. Minimized footprint and public impacts. Modeling of vertical and siphon hydraulics & ventilation.

Occoquan River Crossing Parallel Water

Main Tunnel • Fairfax Water, VA

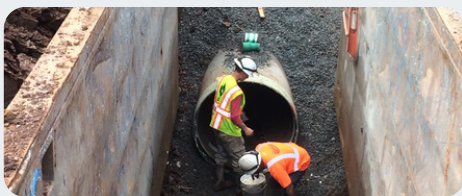
Hazen provided preliminary study, design, and construction administration services for the Occoquan River Crossing project, including 400 LF of a 12-foot horseshoe tunnel hand-mined beneath the Occoquan River for the installation of two parallel 42-inch water transmission mains. Hazen worked to define alternatives that warranted consideration, developed the technical details for each alternative, and presented the findings to facilitate decisions.

Space for construction on the south side of the Occoquan River was constrained by steep and rocky terrain, the adjacent River Mill Park, the need to minimize construction traffic through the historic Town of Occoquan, and the need to maintain access through the area for Fairfax Water operations. **Hazen employed raise-bore methods for tunnel shaft construction on the south side of the river.** This enabled quick and efficient construction of two six-foot diameter, vertical tunnel shafts, as opposed to the more invasive shaft construction methods with diameters of 25-feet and larger, including associated impacts to the surrounding area. Hazen achieved each of the schedule milestones established at the outset of the project.



Project Profile

- **Reference:** Michael Hesse, (502) 352-2012, mhesse@frankfort.ky.gov
- **Key Personnel:** Josh Farmer, Kim Hanson, Wojciech Klecan
- **Relevant Project Elements:** Three (3) horizontal directional drills (12", 20" & 24") installed 2,900 LF each with a vertical differential of 221 ft in high strength limestone. Vertical excavation using dry boring methods (raise bore) of 5-ft diameter shafts in high strength limestone.



Project Profile

- **Reference:** Savita Schlesinger, (571) 291-7990, sschlesinger@loudounwater.org
- **Key Personnel:** Josh Farmer and Kim Hanson
- **Relevant Project Elements:** Design and installation of critical diversion structure including by-pass. Construction required careful planning to permit, coordinate, and access with three separate contractors working in Dulles airport and high profile neighborhoods while limiting public impact and risk.



Project Profile

- **Reference:** Scott Rogers, srogers@palmdalewater.org, (661) 456-1020
- **Key Personnel:** Brad Moore, Eric Neill, Ethan Ford, Scott Williamson, and Kim Hanson
- **Relevant Project Elements:** Hydraulic evaluations, routing analysis, steep terrain, tunneling, venting, energy dissipation and permitting assistance.

West Interceptor • City of Frankfort, KY

The interceptor executes the first step in Frankfort Sewer Department's Long Term Control Plan. The proposed project includes installation of approximately 5,000 LF of 42-inch, 1,100 of 48-inch, 300 LF of 60-inch gravity sewer replacing and enlarging the existing interceptor at risk and deemed unsafe to inspect due to sinkholes and portions being located within a cave complex. **The alignment for this new interceptor was exceptionally challenging due to the extreme differences in elevation, high-strength rock, exposed rock cliffs, river, stream, and highway crossings, and unstable embankments.** To achieve installation of this interceptor required the creative design and specialty construction of 1,100 LF 66-inch TBM tunnel, 300 LF 10-ft conventional tunnel, 65-ft deep vertical drop structure, a 3 MG prestressed concrete wet weather storage tank (gravity in, gravity out), control and diversion structures, 2 siphons requiring 3 separate horizontal directional drills (HDD) crossing 2 restricted access highways, specially protected high quality groundwater spring (Cove Spring Park), and the Kentucky River. These 6 HDDs were as follows: Drills 1, 2, and 3 were in rock, 20-inch, 30-inch, and 36-inch, included a 221 ft vertical differential between the drill rig and the pipe entry point and 2,900 LF each. Drills 4, 5, and 6 were 27-inch, 42-inch, and 48-inch and 1,500 LF each. Total HDD footage of HDD was 13,200 LF.

Broad Run Interceptor Parallel Potomac Interceptor and Horsepen Run Parallel Sewer Project • Loudoun Water, VA

Hazen provided detailed design, permitting, and construction management services related to the design of 17,700 linear feet of the 48-inch and 42-inch diameter Horsepen Run Parallel Sewer, and 2,500 linear feet of the 72-inch diameter BRIPPI Phase V sewer. Hazen also designed and permitted approximately 4,100 LF of trenchless crossings ranging in size from 42 inches to 96 inches, which crossed major roadways, an airport, Washington Metropolitan Area Transit Authority Silver Line, and power utility easements. Approximately 4,400 LF of sewer was tunneled to facilitate crossing the planned extension of the Metrorail Silver Line Phase 2 four times, the Dulles Greenway, and the planned expansions of two major roadways (Route 28 and Route 606). In addition, **the design included crossings under high voltage overhead transmission lines, two airport service roads, seven streams, and approximately three acres of wetlands.** Hazen and Loudoun Water jointly oversaw construction of the pipeline, with Loudoun Water primarily responsible for open-cut sections and Hazen overseeing tunneled sections of the pipeline.

Ditch Conversion Project • Palmdale Water District, CA

The Palmdale Ditch Conversion Project will allow PWD to increase their diversion flow rate from Littlerock Reservoir by enclosing over 7 miles of open canal with a new 48-inch diameter pipeline. Hazen is leading the **design for 38,000 LF of 48-inch diameter reinforced concrete pipe, which includes hydraulic evaluations, routing analysis, geotechnical investigation, scour analysis, environmental impacts analysis, and permitting assistance.** Project challenges include high flow velocities and steep pipe installation, stream and wash crossings, geotechnical complications including fault crossings and steep cross-grades, highway crossings requiring trenchless installation, rehabilitation and integration of existing tunnels and pipelines, coordination with local, state and federal agencies, and environmental permitting and mitigation requirements.

Project Understanding

The City's WWTP is located at the bottom of the Snake River Canyon over 400 feet below the rim of the canyon. The terrain poses challenges for the design and construction of sewer collection piping into the canyon. One of the sewer collection lines, the Grandview Drop Line, was constructed in the late 1990s and conveys approximately 50 percent of the City's wastewater flows to the treatment facility. This line includes a rectangular diversion structure that connects to a 24-inch HDPE drop pipe, which travels through a steep, 200-foot, 30-inch diameter bore and daylights just above the talus before reaching an energy dissipation box at the canyon floor. Abandoned pipelines in the area still have connections with influent lines into the facility.

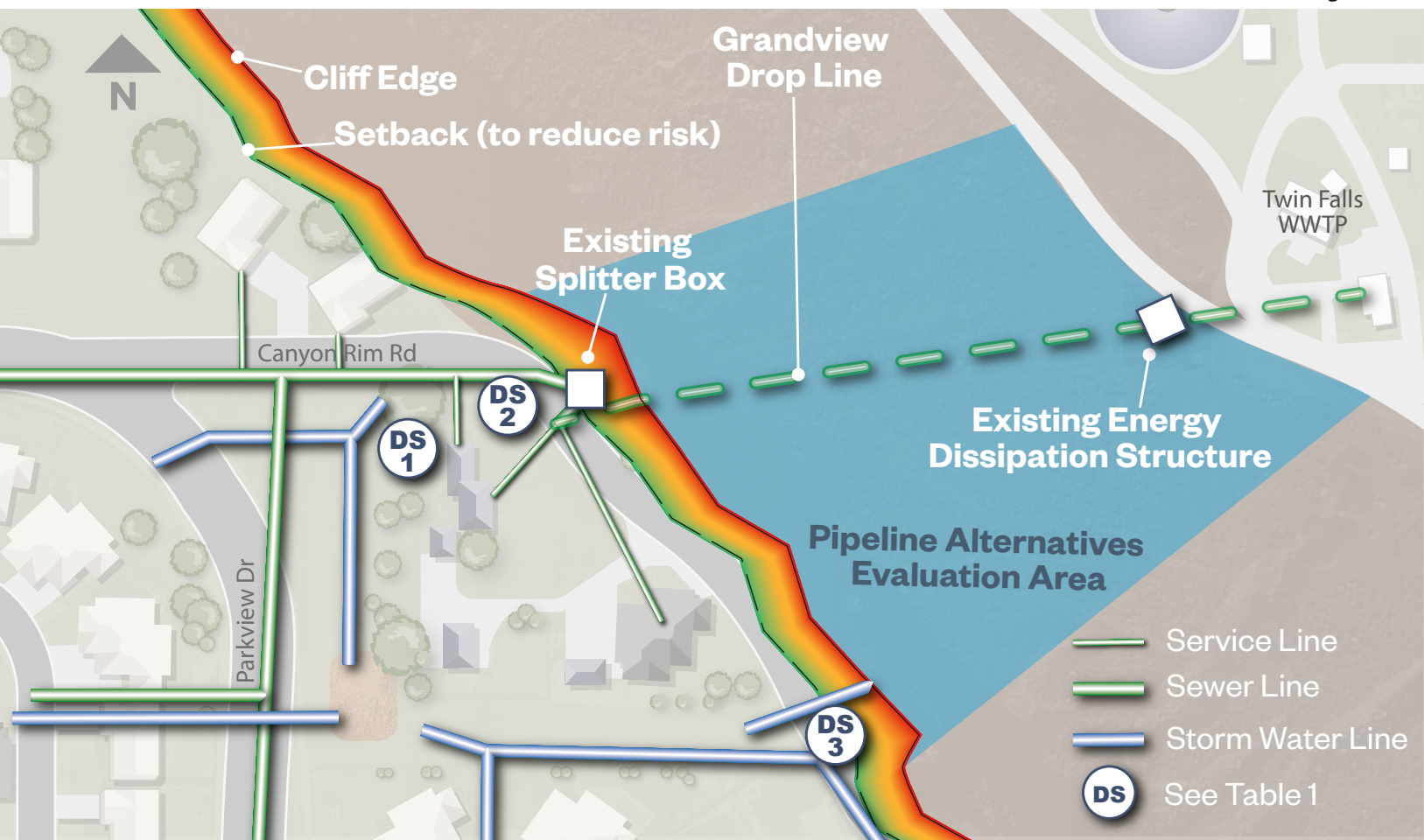
A prior condition assessment revealed that the diversion box at the rim of the canyon is in poor condition and needs replacement or refurbishment. The City has no way to isolate the box for improvements and lacks a redundant pipeline and energy dissipation structure for backup. Improvements to the energy dissipation

structure are also necessary, but details remain unclear until the structure can be inspected.

The City seeks a qualified consultant to conduct an alternative evaluation to improve redundancy and bypass capability for the Grandview Drop Line. **This high-priority project will provide the flexibility to inspect and improve existing infrastructure.** Following the evaluation, the project will move into design and construction.

Odor and corrosion issues have occurred at the top of the canyon, along with venting and odor problems in the pipeline along the talus, leading to sanitary sewer overflow events. The project requires expertise in wastewater conveyance, hydraulics, odor control, and challenging construction methods such as boring and vertical mounting. Familiarity with state and local requirements and the ability to collaborate with land-owners and the community are also essential qualifications for the selected consulting team.

Figure 1



Project Approach

Important project elements are outlined in the below sections. We will perform a thorough analysis of project components based on critical evaluation criteria developed in collaboration with the City. The initial task will be to develop a predesign report that provides sufficient analysis to develop a preferred alternative that includes a project definition sufficient to proceed with detailed design. This proposal is mostly focused on Hazen’s understanding and approach to performing preliminary engineering services. However, Hazen’s experience aligns with assisting the City with detailed design, bidding, and construction support services.

Diversion Structure

The diversion structure will need functionality for sending flow to either the existing Grandview Drop Line or the new Canyon Rim Drop Line. **The new diversion structure will need to be able to pick up all sewer flows at the rim, which is challenging since two service lines connect downstream of the existing splitter box.** The analysis will include looking at several location options, such as the three locations shown in **Figure 1**, on page 6. A preliminary evaluation of pros and cons associated with these options is shown in **Table 1**. This table will further be refined during the project. Constructability, structure configuration, and corrosion resistance are other critical aspects that will be part of our analysis. Determining the best approach and solving configuration challenges are regularly part of what our clients trust us to do, and our success rate of satisfied clients sets Hazen apart from our competitors.

Rim Pipeline

Approaches for constructing the pipeline from the rim to the talus must be explored to determine the best approach. Options include a wide variety of tunneling alternatives along with an above-grade approach (mounting of pipeline to the cliff face). Our team has done a preliminary evaluation of boring options and eliminated several based on project conditions. Four viable options that will be evaluated are included in **Table 2**. Our analysis will be informed based on our team’s technical experience. The horizontal directional drill (HDD) option from the rim all the way to the WTP is a less attractive because it would require a significant setback from the rim, increasing the complexity of intercepting all sewer flows while significantly increasing project risk and cost. As needed, alternatives showing promise may be informed through the collection of geotechnical data. **Critical factors that will be part of the analysis will include but are not limited to: bore location, availability of qualified contractors, pipeline material, construction risk, and cost.** Part of the construction risk will balance the closeness of bores to the cliff edge versus maintaining reasonable setbacks (see **Figure 1**). The analysis of the Rim Pipeline and Diversion Structure components are interrelated based on the selected location. Thus, the analysis of each cannot be independent.

Talus Pipeline

We will evaluate both above and below ground options for the pipeline along the talus to determine the best approach to meet the City’s needs. Subsurface conditions, costs, and a variety of other criteria will be part of the evaluation. Pipeline material selection will also be a critical component of this evaluation. We have prepared a preliminary evaluation of pros and cons of these options in **Table 3**. This table will further be refined during the project.

Table 1: Diversion Structure Location Options (DS)

Evaluation Criteria	Option DS-1: Public Property, Out of the Road		Option DS-2: On Private Property Near the Cliff		Option DS-3: Public Property Near the Cliff	
	Pros	Cons	Pros	Cons	Pros	Cons
Drilling Approach	Reduced impacts to adjacent homeowners.	Length of bore limits drilling approach and methods.	Favorable location for drilling approach due to minimized drill length.	Impacts to homeowners property, easement may be required.	Reduced impacts to adjacent homeowners. Minimizes drill length.	Feasibility and constructability concerns with existing storm infrastructure.
New Splitter Box Configurability	Proximity to existing sewer.	Connection to downstream service lines may not be feasible.	Proximity to exist sewer and feasibility to connect service lines from adjacent homeowners.	Impact to homeowners property.	Spaced further away from adjacent homeowners.	Distance from existing sewer and feasibility to connect service lines from adjacent homeowners.
Impact to Residences	Can be located out of the road minimizing impact.	-	Can be located out of the road minimizing impact.	May still require traffic coordination for one residence.	Can be located out of the road minimizing impact.	-

Table 2: Rim Pipeline Options (RP)

Evaluation Criteria	Option RP-1: DTH Boring See page 9 for definition		Option RP-2: Dry Boring and Reaming See page 9 for definition		Option RP-3: Horizontal Directional Drilling See page 9 for definition		Option RP-4: Aerial Pipeline on Cliff Face	
	Pros	Cons	Pros	Cons	Pros	Cons	Pros	Cons
Efficacy	Dry (pneumatic) method suitable for environmentally sensitive areas/ groundwater. Spoil collected and removed at the surface. Effective for basalt and other hard rock formations.	Cost can be high relative to some other trenchless methods.	Dry drilling method suitable for environmentally sensitive areas.	Two separate footprints required - drill site at top of cliff and spoil collection at bottom of cliff. Not as accurate as DTH or micro-tunneling. The greater the angle the more complex and time consuming.	Suitable for hard rock like basalt. "Home run" installation allowing entire pipeline to be installed for plant site to neighborhood above without the need for open cut installation on the slope.	High power demands for compressors and percussive equipment. Extreme elevation differential from drill rig site to pipe entry site. Larger area temporarily impacted.	Reduces excavation and challenges of drilling through basalt.	Exposed pipe increases risk of damage from elements and vandalism.
Risk	Can handle steep slopes required for this project. Reduced surface impact. Very accurate boring method. Dry drilling method. Minimal surface impact.	Limited contractor availability. Noisy drilling operations.	Versatility to achieve large diameters with reaming. Less expensive than DTH or micro-tunneling. Method available by local/regional contractors.	Time consuming process that requires multiple passes with reamer. Requires specialized contractors. Vibrations will be felt by nearby residents during drilling and reaming process.	Reduced vibration and noise compared to other alternatives discussed.	Dust and vibration. requires rotary air hammer tooling that is less available, slower, and higher cost than typical HDD work.	Could reduce construction costs. Easier maintenance access. May get interest in more contractors to bid.	Requires risk mitigation because anchoring the pipe to the cliff face. Additional risks associated with maintenance, rock fall safety netting, special maintenance equipment and training.

Table 3: Talus Pipeline Options (TP)

Evaluation Criteria	Option TP-1: Below Ground		Option TP-2: Above Ground	
	Pros	Cons	Pros	Cons
Impact to Community	No visual impacts.	-	-	Minor visual impacts / Not as aesthetically pleasing.
Cost	-	Higher initial cost.	Lower initial cost.	Construction of pipe supports on concrete pads would be required and would be more susceptible to damage.
Hydraulics	Able to maintain a consistent slope underground without major alterations to the natural grade. Reduces the height above ground for air vents and energy dissipation structure.	Challenging hydraulics. Vents will need to be designed to prevent illicit discharges.	-	Challenging hydraulics. Vents and the energy dissipation structure's height above ground will need to compensate for the above ground pipe.
Resilience	Most resilient - Risk exposure from elements and vandalism is minimized.	It is more difficult to visually inspect and perform maintenance on a buried pipeline.	Easier access for visual inspections and maintenance.	More likely to be impacted by rock fall, vandalism, or other elements.



Members of our project team, STRATA, were involved in the Magic Springs Pipeline Project where two high-pressure water lines extended above ground from the Snake River Canyon rim down to the canyon floor. Explorations were performed to determine the best location for the pipeline and how to adequately support it. Our team will draw on this experience as we analyze different approaches for the Canyon Rim Drop Line Project to help select the best pipeline alternative.

Hydraulics

An understanding of hydraulics, including super and subcritical flows, is a critical aspect of this project that must be incorporated into the design. At the basis of this analysis is working with the City to determine the desired pipeline capacity. Understanding of hydraulics over a wide range of flows will be critical in sizing the pipeline, determining suitable pipeline materials and wall thickness, locating vents, and developing energy dissipation sizing criteria and approaches. In addition, **we know that sewer lines combined with steep drops can lead to odor challenges. We will leverage our experience to suggest solutions to minimize/mitigate odor challenges.**

Tie-ins

The new pipeline and energy dissipation structure will be tied into the existing piping going into the WWTP. Understanding the existing infrastructure will be critical to make sure the new connection works with existing connections and allow smooth flow transitions without creating hydraulic restrictions. Our approach will include working with the City to understand existing interconnections to inform our hydraulic evaluation and interconnection approach.

Permitting

Part of the preliminary engineering services will be to develop an understanding of permitting needs for the project. Our team is experienced and will assist in outlining permit requirements. This includes identifying any potential environmental, cultural, and historical impacts of the project and associated permitting. In addition, the Hazen team is familiar with state and local requirements and will assist in working with both state (DEQ and ISPC requirements) and local (county) agencies to get project approvals.

Public Engagement

Public engagement is a critical part of this project that must be effectively integrated into the project decision-making. **We know there will be impacted individuals and will work with the City to seek community input, properly inform the project to residents, and provide**

education to address and minimize concerns. Early engagement will be critical to the project's success and we will assist in working through concerns as they arise. Public engagement is a regular part of our projects and we will leverage our team experience to assist the City.

Boring Considerations

There are three main trenchless alternatives to consider for this project.

Option RP-1 would be using Down-the-Hole (DTH) Boring which is a type of rotary percussion drilling and is a newer technology and is becoming more prevalent in the US due to its higher accuracy, higher production, ability to work in higher strength rock, and its less vibration and noise compared to other drilling methods. This method uses rotary drilling air hammers that can drill up to 48" diameter and handle up to 60 ksi rock breaking hard rock into small cutting and dust. Although this process can be used with water or drilling muds, it can be operated "in the dry", evacuating the spoils to the surface by the air exhaust from the pneumatic tooling. DTH requires a very small footprint and has a extremely quick installation time (~ 1 day). This method does not require access to the base of the cliff with spoil removal at the surface.

Option RP-2 uses pilot drilling methods to excavate a near vertical opening in the Basalt rock cliff to mitigate the upper portion of the alignment. This alternative could be managed using dry bore reaming, such as raise boring. This method is readily available in the USA with general capabilities being able to provide a lined shaft from vertical to 60 degrees from 8-inch to 84-inch in diameter. This method is relatively quick (2-4 days) with a relatively small footprint and public impact. This method would require access to the base of the cliff for spoil removal.

Option RP-3 would be entirely trenchless installation using HDD methods with the drill rig located at the plant and the pipe pullback located in the neighborhood streets in public ROW. There are risks associated with this alternative including the extreme grade difference between rig entry and pipe entry points as well as concerns with impacting groundwater.

What Sets the Hazen Team Apart?

Our team consists of individuals with experience in solving challenging issues on projects that are similar to yours. This includes sewer pipeline projects that include steep terrain, complicated hydraulics, and challenging construction techniques. Section 2 includes highlights of projects that we have completed with similar components and project challenges such as yours. However, the few pages of this proposal cannot capture the vastness of experience of Hazen and our project team. We encourage you to reach out to our references to develop a better understanding of our capabilities and expertise.

Project Management and Schedule

At the start of each project, our philosophy is to identify important drivers which have the greatest impact both from a cost and time standpoint. By identifying regulatory, scheduling, risks, mitigations, and historical design challenges in advance, we can develop an implementation plan that will ensure the City's priorities are addressed, while meeting both schedule and budget constraints. A 12-month schedule for pre-design and design is presented below. We recognize there are areas where this schedule could be expedited should the City desire a tighter schedule.

	Month											
Task	1	2	3	4	5	6	7	8	9	10	11	12
(1) Preliminary Design*	◆	◆	◆	◆	◆							
<i>Alternatives Development & Analysis</i>												
<i>Hydraulics</i>												
<i>Preliminary Design</i>												
<i>Draft and Final Report</i>												
(2) Pipeline Design							◆		◆		◆	
(3) Permitting						◆						◆
(4) Geotechnical Analysis												
(5) Surveying												
(6) Public Engagement				◆		◆		◆				◆
(7) QA/QC												

◆ = Project Kickoff ◆ = Workshops/Meetings

Kick-off Meeting - The Objective of this meeting will be to further understand the City's goals, priorities, and concerns, review design criteria, and confirm project approach and schedule. **Hazen has already begun brainstorming potential alignments and construction methods that could be utilized to install a redundant line** which will allow the existing facilities to be taken offline for rehabilitation, while keeping in mind the need for future expansion.

Alternatives Development & Analysis – After understanding the City's priorities from the kick-off meeting, Hazen will begin an alternative analysis by requesting utility records, coordinating with local survey and geotechnical subconsultants, engaging with local drilling contractors, and developing alternatives for the City's consideration. **The development of up to three alignment options is anticipated** which prioritize constructability, risks and mitigations, cost, hydraulic performance, operation and maintenance, and future expansion. An alternatives evaluation to determine the most suitable location above the canyon rim to construct a wastewater control structure and the best path and construction method(s) down the canyon rim is anticipated to take approximately 60-90 days from the kick-off meeting.

Preliminary Design and Final Design – Following the route selection from the alternatives analysis, preliminary and final design efforts will be focused on optimizing the most suitable route selected in collaboration between Hazen and the City. After determining the best route and construction method(s) down the canyon, **Hazen will optimize the alignment down the talus to site a new energy dissipation structure, and connection to the existing downstream infrastructure.** Anticipated deliverables include Predesign Report followed by 60%, 90%, and 100% plans and specifications. We understand that timing is critical for this project and we will discuss alternatives for expediting both design and construction services to meet the needs of the City. We anticipate several meetings/workshops with the City to discuss project definition, alternative analysis, analysis findings, and community engagement, as well as to review project deliverables. We also anticipate meetings with IDEQ and the community. Cost estimates will be developed for each deliverable milestone.

Bidding and Construction – Hazen will tailor our bidding and construction services to the City's needs. This may include services ranging from low-level support (attending meetings, periodic site visits, tunneling inspection, reviewing RFIs and submittals, preparing record drawings, etc.) to Hazen leading bidding and construction activities.



Hazen

3597 E. Monarch Sky Lane, Suite 240
Meridian, Idaho 83646



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: Erin Steel, Assistant Public Works Director

ACTION ITEM

Request:

Request to utilize up to \$1,600,000 of water and wastewater reserves for the Public Works Site Improvement project and authorize the Public Works Director to sign the CM/GC contract with Suburban Construction Management.

Time Estimate:

5-10 Minutes

Background:

Public Works staff, leveraging the long-term planning process, budgeted \$1.2M for the Public Works site improvement project in a previous fiscal year. This request will bring the site into compliance with city code Title 10 requirements. The project was bid in August of FY 2023, with only one bid received for a significantly higher amount of \$2,153,300. In response, staff committed to finding solutions to reduce costs closer to the budgeted amount. A reevaluation of the project led to a decision to depart from the traditional design-bid-build project delivery method and release a Request for Qualifications (RFQ) for a Construction Manager/General Contractor (CM/CG) delivery method.

Using a qualification-based selection process (Idaho Code 67-2320), staff released an RFQ on August 7, 2024, soliciting responses from CM/GC contractors. Two firms, Suburban Construction Management and Peterson Brothers Construction, responded to the RFQ. Both proposals were scored against the criteria in the RFQ.

Staff returned to the council on October 7, 2024, and was granted permission from the council to negotiate with Suburban Construction Management to complete the project.

Suburban Construction Management successfully bid the different alternatives and concluded that the Guaranteed Maximum Price (GMP) is \$1,508,957, including the 7% CM/GC fee. Staff is asking for a contingency of \$91,043 (6% of the contract's value) for potential change orders.

The contract has been reviewed by the city attorney, Bruce Castleton.

Approval Process:

A simple majority will approve this request.

Budget Impact:

Staff requested (October 7, 2024) that \$1.2M in water and wastewater reserve funds be used to fund the project. This money was previously budgeted and rolled into reserves after the project's initial bidding. An additional \$400,000 would be split evenly between water and wastewater reserves to fund the remainder of the project.

Regulatory Impact:

Approval of the request will authorize the Public Works Director to sign the contract and allow staff to proceed with the Public Works Site Improvement Project.

History:

N/A

Analysis:

N/A

Conclusion:

Staff confirms that all processes defined by State Code have been followed, believe the negotiated price is reasonable, and recommends council approval.

Attachments:

1. COTW Site Imp A133 ExhibitA-2019 - Final_2.27.25
2. 02.14.2025 COTF PW Site Improvements Estimate



AIA® Document A133® – 2019 Exhibit A

Guaranteed Maximum Price Amendment

This Amendment dated the 24th day of February in the year 2025, is incorporated into the accompanying AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price dated the 23rd day of December in the year 2024 (the "Agreement")
(In words, indicate day, month, and year.)

for the following **PROJECT:**
(Name and address or location)

Public Works Site Improvements
119 South Park Avenue West
Twin Falls, Idaho 83301

THE OWNER:
(Name, legal status, and address)

City of Twin Falls, Idaho (D Corporation)
203 Main Avenue East
Twin Falls, Idaho 83301
Telephone Number: (208) 735-7285

THE CONSTRUCTION MANAGER:
(Name, legal status, and address)

Suburban Construction Management, LLC
1724 Brookfield Court
Twin Falls, Idaho 83301
Telephone Number: (208) 490-7595

TABLE OF ARTICLES

- A.1 GUARANTEED MAXIMUM PRICE**
- A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**
- A.3 INFORMATION UPON WHICH AMENDMENT IS BASED**
- A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS**

ARTICLE A.1 GUARANTEED MAXIMUM PRICE

§ A.1.1 Guaranteed Maximum Price

Pursuant to Section 3.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price. As agreed by the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as that term is defined in Article 6 of the Agreement.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed One Million, Four Hundred Eighty-five Thousand, Two Hundred Sixty-One Dollars and no/100 (\$1,485,261.00), subject to additions and deductions by Change Order as provided in the Contract Documents.

§ A.1.1.2 **Itemized Statement of the Guaranteed Maximum Price.** Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, including allowances; the Construction Manager's contingency; alternates; the Construction Manager's Fee; and other items that comprise the Guaranteed Maximum Price as defined in Section 3.2.1 of the Agreement.

(Provide itemized statement below or reference an attachment.)

Description:	Total Cost
General Conditions	\$ 70,798
General Requirements - Personnel Costs	\$ 35,233
Pre-Construction – included in A133-2019 Contract	\$ 5,000
Final Cleaning	\$ 1,700
SWPPP	\$ 2,117
Survey & Layout - TD&H	\$ 34,950
Earthwork - Extreme Excavation	\$ 487,079
Alternate One	\$ 266,634
Alternate Two	\$ 74,020
Site Concrete - SuburbanCM Self Perform	\$ 147,500
Alternate One	\$ 24,750
Alternate Two	N/A
Fencing and Gates - Bills Fencing	\$ 54,194
Alternate One	\$ 13,148
Alternate Two	N/A
Landscape & Irrigation - Kimberly Nurseries	\$ 115,167
Alternate One	N/A
Alternate Two	\$ 14,042
Electrical - Five Star Electric	\$ 16,041
Alternate One	\$ 3,695
Alternate Two	N/A
Construction Manager Overhead & Profit:	\$ 95,495
Performance Payment Bond:	\$ 25,545
Exhibit A - Guaranteed Maximum Price	\$ 1,485,261

§ A.1.1.3 The Construction Manager's Fee is set forth in Section 6.1.2 of the Agreement.

§ A.1.1.4 The method of adjustment of the Construction Manager's Fee for changes in the Work is set forth in Section 6.1.3 of the Agreement.

§ A.1.1.5 Alternates

§ A.1.1.5.1 Alternates, if any, included in the Guaranteed Maximum Price:

Item	Price
No Alternates Included	N/A

§ A.1.1.5.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Exhibit A. Upon acceptance, the Owner shall issue a Modification to the Agreement.
(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance
No Alternates Included	N/A	N/A

§ A.1.1.6 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
No Unit Pricing Included	N/A	N/A

ARTICLE A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ A.2.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

- ☐ The date of execution of this Amendment.
- ☒ Established as follows: Upon issuance of written Notice To Proceed by the Owner
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of execution of this Amendment.

§ A.2.2 Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work. The Contract Time shall be measured from the date of commencement of the Work.

§ A.2.3 Substantial Completion

§ A.2.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Construction Manager shall achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

- ☒ Not later 180) calendar days from the date of commencement of the Work.
- ☐ By the following date:

§ A.2.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Construction Manager shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date
N/A	N/A

§ A.2.3.3 If the Construction Manager fails to achieve Substantial Completion as provided in this Section A.2.3, liquidated damages, if any, shall be assessed as set forth in Section 6.1.6 of the Agreement. (6.1.6: To Be Determined Within GMP Amendment)

ARTICLE A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

§ A.3.1 The Guaranteed Maximum Price and Contract Time set forth in this Amendment are based on the Contract Documents and the following:

§ A.3.1.1 The following Supplementary and other Conditions of the Contract:

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User Notes:

(1412446282)

Document	Title	Date	Pages
N/A	N/A	N/A	N/A

§ A.3.1.2 The following Specifications:
(Either list the Specifications here, or refer to an exhibit attached to this Amendment.)

Section	Title	Date
010010	Basic Requirements	August 2023
022300	Site Clearing	August 2023
024113	Selective Site Demolition	August 2023
033000	Concrete	August 2023
323100	Fences and Gates	August 2023
323101	Chain Link Cantilever Slide Gates	August 2023

§ A.3.1.3 The following Drawings:
(Either list the Drawings here, or refer to an exhibit attached to this Amendment.)

Discipline	Drawing #	Drawing Title	Date	Set Name
General	0	City of Twin Falls - General Inspection Notes	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Architectural	A0-0	TITLE SHEET	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Architectural	A1-0	DEMOLITION SITE PLAN	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Architectural	A1-1	NEW SITE PLAN	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Architectural	A1-2	SITE DETAILS	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Architectural	A1-3	BID PACKAGES PLAN	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Civil	C1.1	CIVIL NOTES AND LEGEND	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C2.1	STORM DRAIN PLAN	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C3.1	STORM DRAIN DETAILS	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C4.1	CIVIL SITE PLAN	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C5.1	SITE GRADING PLAN	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C6.1	SITE GRADING DETAILS	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C7.1	STREET IMPROVEMENT PLAN- S. PARK AVE W.	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C7.2	STREET IMPROVEMENT PLAN-DIAMOND AVE W.	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C7.3	STREET IMPROVEMENT PLAN - WASHINGTON ST S. (1 OF 2)	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C7.4	STREET IMPROVEMENT PLAN - WASHINGTON ST S. (2 OF 2)	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C8.1	CITY STREET DETAILS	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C8.2	ITD STREET DETAILS (1 OF 2)	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C8.3	ITD STREET DETAILS (2 OF 2)	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Electrical	E0.0	ELECTRICAL SYMBOLS & DETAILS	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Electrical	E1.0	ELECTRICAL SITE PLAN	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Landscape	L1.0	LANDSCAPE PLAN - AREA ONE	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Landscape	L1.1	LANDSCAPE PLAN - AREA TWO	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Landscape	L1.5	LANDSCAPE DETAILS	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Landscape	L2.0	IRRIGATION PLAN - AREA ONE	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Landscape	L2.1	IRRIGATION PLAN - AREA TWO	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Landscape	L2.5	IRRIGATION DETAILS	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Landscape	L2.6	IRRIGATION DETAILS	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED

§ A.3.1.4 The Sustainability Plan, if any:

(If the Owner identified a Sustainable Objective in the Owner's Criteria, identify the document or documents that comprise the Sustainability Plan by title, date and number of pages, and include other identifying information. The Sustainability Plan identifies and describes the Sustainable Objective; the targeted Sustainable Measures; implementation strategies selected to achieve the Sustainable Measures; the Owner's and Construction Manager's roles and responsibilities associated with achieving the Sustainable Measures; the specific details about design reviews, testing or metrics to verify achievement of each Sustainable Measure; and the Sustainability Documentation required for the Project, as those terms are defined in Exhibit C to the Agreement.)

Title
N/A

Date
N/A

Pages
N/A

Other identifying information:

§ A.3.1.5 Allowances, if any, included in the Guaranteed Maximum Price:

(Identify each allowance.)

Init.

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User Notes:

(1412446282)

Item
N/A

Price
N/A

§ A.3.1.6 Assumptions and clarifications, if any, upon which the Guaranteed Maximum Price is based:
(Identify each assumption and clarification.)

The Owner is responsible for all costs related to design, permitting, and third-party testing and inspections

The project will be coordinated per the phasing plan, with the approval of the Owner as needed to maintain operations at this location

§ A.3.1.7 The Guaranteed Maximum Price is based upon the following other documents and information:
(List any other documents or information here, or refer to an exhibit attached to this Amendment.)

Geotechnical Investigation,
Atlas Technical Consultants, LLC
Dated: November 3, 2022

Drainage Report,
Aspen Engineers, Chartered,
Dated: November 9, 2023

ARTICLE A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS

§ A.4.1 The Construction Manager shall retain the consultants, contractors, design professionals, and suppliers, identified below:

(List name, discipline, address, and other information.)

Site Work: Extreme Excavation, Inc | Public Works License #PWC-C-16975

Concrete: Suburban Construction Management | P.W. License #073716

Electrician: Five Star Electric Idaho, Inc. | Public Works License #074256-C-4 and Electrical License #071546

Fencing and Gates: Holley Construction, Inc dba Bill's Fencing | Public Works License #PWC-C-12299

Landscaping: Kimberly Nurseries, LLC | Public Works License #046514

This Amendment to the Agreement entered into as of the day and year first written above.

OWNER (Signature)

Joshua R. Baird Public Works Director
(Printed name and title)

CONSTRUCTION MANAGER (Signature)

Andrew DiPietro Owner
(Printed name and title)

Additions and Deletions Report for AIA® Document A133® – 2019 Exhibit A

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 19:12:07 ET on 02/27/2025.

PAGE 1

This Amendment dated the 24th day of February in the year ~~2025~~, is incorporated into the accompanying AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price dated the 23rd day of December in the year 2024 (the "Agreement")

...

Public Works Site Improvements
119 South Park Avenue West
Twin Falls, Idaho 83301

...

City of Twin Falls, Idaho (D Corporation)
203 Main Avenue East
Twin Falls, Idaho 83301
Telephone Number: (208) 735-7285

...

Suburban Construction Management, LLC
1724 Brookfield Court
Twin Falls, Idaho 83301
Telephone Number: (208) 490-7595

PAGE 2

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed (\$—), One Million, Four Hundred Eighty-five Thousand, Two Hundred Sixty-One Dollars and no/100 (\$1,485,261.00), subject to additions and deductions by Change Order as provided in the Contract Documents.

...

<u>Description:</u>	<u>Total Cost</u>
<u>General Conditions</u>	<u>\$ 70,798</u>
<u>General Requirements - Personnel Costs</u>	<u>\$ 35,233</u>
<u>Pre-Construction – included in A133-2019 Contract</u>	<u>\$ 5,000</u>
<u>Final Cleaning</u>	<u>\$ 1,700</u>
<u>SWPPP</u>	<u>\$ 2,117</u>

<u>Survey & Layout - TD&H</u>	\$	34,950
<u>Earthwork - Extreme Excavation</u>	\$	487,079
<u>Alternate One</u>	\$	266,634
<u>Alternate Two</u>	\$	74,020
<u>Site Concrete - SuburbanCM Self Perform</u>	\$	147,500
<u>Alternate One</u>	\$	24,750
<u>Alternate Two</u>		N/A
<u>Fencing and Gates - Bills Fencing</u>	\$	54,194
<u>Alternate One</u>	\$	13,148
<u>Alternate Two</u>		N/A
<u>Landscape & Irrigation - Kimberly Nurseries</u>	\$	115,167
<u>Alternate One</u>		N/A
<u>Alternate Two</u>	\$	14,042
<u>Electrical - Five Star Electric</u>	\$	16,041
<u>Alternate One</u>	\$	3,695
<u>Alternate Two</u>		N/A
<u>Construction Manager Overhead & Profit:</u>	\$	95,495
<u>Performance Payment Bond:</u>	\$	25,545
Exhibit A - Guaranteed Maximum Price	\$	1,485,261

PAGE 3

No Alternates Included

N/A

...

No Alternates Included

N/A

N/A

...

No Unit Pricing Included

N/A

N/A

...

[☒] Established as follows: Upon issuance of written Notice To Proceed by the Owner

...

[☒] Not later than ~~(—180)~~ calendar days from the date of commencement of the Work.

...

N/A

N/A

§ A.2.3.3 If the Construction Manager fails to achieve Substantial Completion as provided in this Section A.2.3, liquidated damages, if any, shall be assessed as set forth in Section 6.1.6 of the Agreement. (6.1.6: To Be Determined Within GMP Amendment)

PAGE 4

N/A

N/A

N/A

N/A

...

Section	Title	Date	Pages
---------	-------	------	-------

<u>Section</u>	<u>Title</u>	<u>Date</u>
<u>010010</u>	<u>Basic Requirements</u>	<u>August 2023</u>
<u>022300</u>	<u>Site Clearing</u>	<u>August 2023</u>
<u>024113</u>	<u>Selective Site Demolition</u>	<u>August 2023</u>
<u>033000</u>	<u>Concrete</u>	<u>August 2023</u>
<u>323100</u>	<u>Fences and Gates</u>	<u>August 2023</u>
<u>323101</u>	<u>Chain Link Cantilever Slide Gates</u>	<u>August 2023</u>

...

Number	Title	Date
--------	-------	------

<u>Discipline</u>	<u>Drawing #</u>	<u>Drawing Title</u>	<u>Date</u>	<u>Set Name</u>
General	0	City of Twin Falls - General Inspection Notes	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Architectural	A0-0	TITLE SHEET	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
Architectural	A1-0	DEMOLITION SITE PLAN	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
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Civil	C2.1	STORM DRAIN PLAN	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C3.1	STORM DRAIN DETAILS	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
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Civil	C7.4	(1 OF 2)	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C7.4	STREET IMPROVEMENT PLAN - WASHINGTON ST S.	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
Civil	C7.4	(2 OF 2)	10/30/2024	23-2227 119 South Park Avenue City Approved Plans
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Electrical	E1.0	ELECTRICAL SITE PLAN	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED
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Landscape	L2.6	IRRIGATION DETAILS	1/28/2025	23-2227 119 South Park Avenue City Approved Plans REVISED

N/A

N/A

N/A

N/A

N/A

...

The Owner is responsible for all costs related to design, permitting, and third-party testing and inspections

The project will be coordinated per the phasing plan, with the approval of the Owner as needed to maintain operations at this location

...

Geotechnical Investigation,
Atlas Technical Consultants, LLC

Dated: November 3, 2022
Drainage Report,
Aspen Engineers, Chartered,
Dated: November 9, 2023

...

Site Work: Extreme Excavation, Inc | Public Works License #PWC-C-16975
Concrete: Suburban Construction Management | P.W. License #073716
Electrician: Five Star Electric Idaho, Inc. | Public Works License #074256-C-4 and Electrical License #071546
Fencing and Gates: Holley Construction, Inc dba Bill's Fencing | Public Works License #PWC-C-12299
Landscaping: Kimberly Nurseries, LLC | Public Works License #046514

...

Joshua R. BairdPublic Works Director

Andrew DiPietro Owner

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, _____, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 19:12:07 ET on 02/27/2025 under Order No. 2114607914 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A133™ – 2019 Exhibit A, Guaranteed Maximum Price Amendment, other than those additions and deletions shown in the associated Additions and Deletions Report.

(Signed)

(Title)

(Dated)

Section	Description:	Total Cost
010000	General Conditions	\$ 70,798
010000	General Requirements - Personnel Costs	\$ 35,233
010010	Pre-Construction	\$ 5,000
017423	Final Cleaning	\$ 1,700
310010	SWPPP - If Required for Filing Fee	\$ 2,117
310020	Survey & Layout - TD&H	\$ 34,950
311000	Earthwork - Extreme Excavation	\$ 487,079
	Alternate One	\$ 266,634
	Alternate Two	\$ 74,020
321300	Site Concrete - SuburbanCM Self Perform	\$ 147,500
	Alternate One	\$ 24,750
	Alternate Two	N/A
323110	Fencing and Gates - Bills Fencing	\$ 54,194
	Alternate One	\$ 13,148
	Alternate Two	N/A
329000	Landscape & Irrigation - Kimblery Nurseries	\$ 115,167
	Alternate One	N/A
	Alternate Two	\$ 14,042
260000	Electrical - Five Star Electric	\$ 16,041
	Alternate One	\$ 3,695
	Alternate Two	N/A
	Subtotal Construction :	\$ 1,364,220
0.00%	Builders Risk Insurance:	\$ -
0.00%	General Liability Insurance:	\$ -
	Sub-Total :	\$ 1,364,220
0.00%	Contingency:	\$ -
7.00%	Overhead & Profit:	\$ 95,495
1.75%	Performance Payment Bond:	\$ 25,545
014000	Testing & Inspections - Atlas, Owner Paid	\$ 23,696
	Total	\$ 1,508,957



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: Mitch Humble, Deputy City Manager

ACTION ITEM

Request:

A request to approve a professional services agreement with Steepsteel, LLC to provide the City with cellular tower lease negotiation services.

Time Estimate:

The presentation and discussion should take about five minutes.

Background:

Beginning in 2000, the City entered into seven different lease arrangements with cellular tower/antenna providers to provide cellular facilities on various City properties. Those various leases are now reaching the end of their terms. The antenna providers have begun to contact us to renew their lease agreements. At the time of the original leases, the City was trying to expand its own radio networks and used these towers as a means to that end. Therefore, many of these leases were entered into at below-market rates, because we benefited from the towers as well. Over the years, we have received our benefits from the towers, and we have since removed much of our equipment from some of the towers. As we look forward, the City is now in a position to renew these leases at more of a market rate. Unfortunately, City staff is not well versed in the cellular tower market. Therefore, we have reached out to Steepsteel, LLC to help us negotiate the renewal of these leases.

Steepsteel is a company that helps many cities and counties across the country with tower/antenna negotiations. They are well versed in the tower lease market and have a solid reputation in the industry. We called several other cities who have used Steepsteel in the past and received extremely positive references. Steepsteel will prepare an audit of each site, an analysis of each site, and then make recommendations to the City about potential lease rates. They will also perform site management on our behalf, if requested.

The attached agreement indicates that Steepsteel will be paid for their services only if they successfully negotiate an increase to our lease rates. Their fee will be based on the amount of rate increase and will be paid from those increased lease revenues. The greater the amount of increase they negotiate for us, the higher their fee will be. For example, if they negotiate an increase of up to 10%, we will pay them the equivalent of one month's rent from that newly negotiated lease. The agreement includes four tiers for their rate, the highest being that if they negotiate an increase of more than 35%, we will pay them the equivalent of four months of the newly negotiated lease rate. So, we will only pay them if they successfully negotiate a rate increase, and their payment will come from the newly negotiated lease rates.

The proposed agreement is attached for your review. Staff believes that Steepsteel will be a great partner for the City in this effort and recommends that the Council approve the attached agreement and authorize the City Manager to execute it.

Approval Process:

A simple majority Vote of the Council is needed to approve this request.

Budget Impact:

The FY 2025 budget does not include any funding for these services. The budget also does not include any increased revenue from the renewed leases at higher rates. Should the Council approve this request, Steepsteel will help us renew our expiring leases at increased rates, leading to unanticipated revenue. Steepsteel will be paid for their services from this unanticipated revenue.

Regulatory Impact:

If the Council approves this request, the City Manager will execute the agreement as presented and the City's IT department will begin working with Steepsteel to renew the various expiring tower/antenna leases.

History:

N/A

Analysis:

N/A

Conclusion:

Staff recommends that the City Council approve the attached professional services agreement with Steepsteel, LLC as presented.

Attachments:

1. SteepSteelContractWithAttachmentsCompressed

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) dated as of February 20, 2025, is entered into by and between STEEPSTEEL, LLC, a Texas limited liability company (“SteepSteel”) and the CITY OF TWIN FALLS, an Idaho municipal corporation (“Client”). SteepSteel and the Client are at times referred to herein individually as a “Party,” and jointly as the “Parties.”

RECITALS

WHEREAS, SteepSteel, after competitive solicitation, holds The Interlocal Purchasing System (“TIPS-USA”) contract 230105 for Technology Solutions, Products, and Services, and

WHEREAS, the Parties participated in conference calls dated December 6, 2023, on February 14, 2024, and again on January 28, 2025 to discuss the auction and/or re-negotiation of the Client’s wireless telecommunication contracts (“Leases”), and

WHEREAS, SteepSteel has proposed to monetize and/or re-negotiate the Client’s existing Leases to maximize revenue and equity, and assist in obtaining the most favorable terms for the Client, and

NOW THEREFORE, in consideration of the performance by the Parties of the covenants and conditions herein contained, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

SECTION 1. SERVICES / COMPENSATION.

- A. SteepSteel shall provide to the Client those Services that are described in Exhibit A (“Scope of Services”) for the Current Telecommunications Contract identified in Exhibit B (hereinafter referred to as the “Leases”).
- B. SteepSteel shall be compensated for the performance of the Services as set forth on Exhibit C (“Compensation”).

SECTION 2. TERM.

This Agreement shall commence upon the date the last of the Parties executes this Agreement and shall have an initial term of twelve (12) months, first unless otherwise extended by the Parties.

SECTION 3. PERFORMANCE AND LIMITATION OF LIABILITY.

SteepSteel shall employ those standards of care and practices that are generally applicable to and utilized by individuals engaged in providing similar services as are required of SteepSteel hereunder.

Notwithstanding anything to the contrary contained herein, in no event shall SteepSteel or the Client be liable for any indirect, incidental, consequential, special, reliance or punitive damages, including without limitation damages for lost profits, advantage, savings, or revenues of any kind, whether or not SteepSteel or the Client has been advised of the possibility of such damages.

SECTION 4. WORK PRODUCT.

SteepSteel hereby agrees that all work produced pursuant to this Agreement and provided to the Client during and upon completion of this Agreement shall be the property of the Client. SteepSteel may take and retain copies of such written products as desired.

SECTION 5. TERMINATION.

Either party may cancel this Agreement without cause upon notice to the other party. If termination by Client occurs, SteepSteel shall be entitled to receive any compensation earned according to the terms of the Agreement.

SECTION 6. INDEPENDENT CONTRACTOR.

A. SteepSteel is engaged to provide Services as an independent contractor. The Client shall have no control over the conduct of SteepSteel except as expressly set forth in this Agreement.

B. The Parties agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

SECTION 7. NO WAIVER.

Waiver by any Party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 8. INSURANCE REQUIREMENTS.

SteepSteel shall secure and maintain, in full force and effect for the duration of SteepSteel's work for and within the Client the insurance policies and coverages of the kinds and amounts hereinafter provided, from insurance companies licensed to do business in the State of Idaho:

General Liability of not less than \$1,000,000.00 for each occurrence and \$2,000,000.00 general aggregate, which will only be required and presented if SteepSteel visits the Client site.

Professional Liability of not less than \$1,000,000.00 for each occurrence and \$2,000,000.00 general aggregate.

In the event that SteepSteel employees, vendors, or other contracted personnel travel by vehicle to the Client's property, SteepSteel, or its vendors, or other contracted personnel, as applicable, will then provide Client a certificate(s) of Automobile Liability

insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident and Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Idaho.

To the extent required, SteepSteel will assist the Client in coordinating any on-site services or inspections as required to satisfactorily perform according to the terms of the Agreement.

Before commencing any services pursuant to this Agreement, SteepSteel shall provide the Client Certificates of Insurance and Endorsements evidencing the coverage provided by said liability and excess liability policies for General Liability and Professional Liability and naming the Client as additional insured.

SteepSteel's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of SteepSteel to the coverage provided by such insurance, or otherwise limit the Client's recourse to any remedy available at law or in equity.

If SteepSteel maintains higher insurance limits than the minimum shown above, the Client shall be insured for the full available limits of the Commercial General or Excess or Umbrella liability maintained by SteepSteel, irrespective of whether such limits maintained by SteepSteel are greater than those required by this Agreement or whether any certificate of insurance furnished to the Client evidence limits of liability lower than those maintained by SteepSteel.

SECTION 9. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good-faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default, or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be in a court of appropriate jurisdiction located within Twin Falls County, Idaho. The Parties agree that the covenants contained in this Section shall survive the expiration or termination of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho, without regard to conflict of law provisions.

SECTION 10. MISCELLANEOUS.

A. Each party represents that it has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

B. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement, and each party agrees that its signature, whether transmitted by email, facsimile, or by other duplicate, shall be binding as if it is on any signature of the party to be bound.

C. To the extent of a conflict between the terms of this Agreement and those set forth

in any exhibits or attachments hereto, the terms of this Agreement shall govern.

SECTION 11. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally, or by electronic mail, or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

<u>The Client:</u>	<u>SteepSteel:</u>
City of Twin Falls Attention: Travis Rothweiler, City Manager 203 Main Avenue East Twin Falls, ID 83301	SteepSteel, LLC Attention: Contract Administration 1135 Grand Central Parkway Suite 300 Conroe, TX 77304

SECTION 13. ENTIRE AGREEMENT.

This Agreement contains the entire understanding between the Client and SteepSteel. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party.

SECTION 14. BINDING EFFECT.

This Agreement shall bind and inure to the benefit of the parties and their heirs, successors, and permitted assigns.

SECTION 15. OWNERSHIP OF RECORDS.

All records and data of any kind relating to the Client shall belong to the Client and shall be surrendered to the Client upon the expiration or termination of this Agreement, except that SteepSteel will retain such information as it deems necessary for its professionally required work record.

SECTION 16. PUBLIC RECORDS COMPLIANCE

SteepSteel shall maintain accounts and records, including personnel, property, financial, and programmatic records which sufficiently and appropriately reflect all direct and indirect costs of any nature expended and services performed in the performance of this Agreement and other such records as may be deemed necessary by the Client to ensure the performance of this Agreement.

The records and documents concerning all matters covered by this Agreement shall be subject at all times to inspection, review, or audit by law during the performance of this Agreement.

SECTION 17. CONFIDENTIAL INFORMATION.

SteepSteel agrees that it shall not, at any time or in any manner, either directly or indirectly, communicate to any person corporation, firm, partnership or other legal entity any information of a confidential nature involving the business or operations of the Client unless authorized by the appropriate Client official.

SECTION 18. INDEMNIFICATION.

SteepSteel shall indemnify, up to the amount of compensation received or to be received, by SteepSteel from the Client, and hold the Client, its appointed officials and employees harmless from and against all claims, damages, demands, suits, actions, losses, recoveries, judgment and expenses, including, but not limited to attorney's fees, arising out of, resulting from or alleged to arise out of or result from negligence, willful misconduct, or through any act or omission of SteepSteel and its agents in connection with all activities undertaken by SteepSteel to this Contract. The Client agrees to give SteepSteel prompt written notice of any such claim or liability, and an opportunity to control the defense and settlement thereof. No limitations on the foregoing indemnity shall impair or limit the Client's recourse to the insurance coverage set forth herein.

SECTION 19. COMPLIANCE WITH LAW.

SteepSteel shall be required to comply with all applicable Federal, State, County and Local laws, rules and regulations during the performance of this Agreement and that to the best of SteepSteel's knowledge SteepSteel does not have any basis to expect, nor has SteepSteel received, any order, notice or other communication from any governmental or regulatory authority of any alleged, actual or potential violation and/or failure to comply with any such law, rule or regulation. SteepSteel further represents, except as otherwise expressly disclosed in writing, SteepSteel is not a party or subject to, and has no assets bound by, the provisions of any order, writ, injunction, judgment, settlement agreement or decree of any court or government agency or instrumentality which would reasonably be expected to have a material adverse effect on SteepSteel's ability to carry out the obligations herein provided. SteepSteel shall promptly notify the Client of the commencement of any action or proceedings with respect to any of its licenses, permits or other legal authorizations, including, but not limited to any sanctions, intermediate or otherwise, administrative or judicial fines, penalties, investigations, or reports of action by Federal or State officials against Professional pursuant to Federal or State laws or regulations.

SECTION 20. NON-ASSIGNMENT.

SteepSteel agrees not to assign or transfer its rights or responsibilities in this Contract without the prior written consent of the Client. Furthermore, SteepSteel agrees not to delegate to others any duties or responsibilities which it has under the terms of this Agreement except that it may engage other professionals to assist in the performance of the services if there are no employees on staff capable of performing the work.

SECTION 21. PARTIAL INVALIDITY.

If any term, condition or provision of this Contract or the application thereof to any person or circumstances shall, at any time, or to any extent, be invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to persons or circumstances other than those to which this Contract is invalid or unenforceable, shall not be affected thereby, and each term, condition and provision of this Contract shall be valid and enforced to the fullest extent permitted by law, provided, however, that no such invalidity shall in any way reduce the services to be performed by SteepSteel for the Client.

SteepSteel, LLC:

Client:

James Kennedy, Manager

Travis Rothweiler, City Manager

Approved as to Form and Legal Sufficiency
Bruce Castleton, City Attorney

EXHIBIT A

SCOPE OF SERVICES

In the event the Client elects, in its sole and absolute discretion, to amend its rights, title or interest in the Lease and/or any associated infrastructure set forth in Exhibit B (collectively defined as the “Site”) during the term of this Agreement, SteepSteel shall and is hereby authorized by the Client to:

- Prepare an audit (“Audit”) of the Site including a review of the existing equipment and improvements, the existing lease and amendments, available surveys, payment histories, and any reimbursable expenses.
- Upon completion of the Audit, SteepSteel shall perform an Analysis (“Analysis”) of the Site and make additional recommendations.
- SteepSteel shall also Audit, Analyze, and make recommendations for any Amendments within the next twelve months that are either requested by a Lease tenant or are in the best interest of the Client.
- SteepSteel shall perform remote Site Management (“Management”) as required according to Lease terms or as requested by the Client.

EXHIBIT B

THE CLIENT'S LEASES

TOWER SPACE LEASE - FIRE STATION #2

This Lease is made and entered into the 22nd day of September 2000, by and between the City of Twin Falls, Idaho, 321 Second Avenue East, Twin Falls, Idaho, 83303-1907, hereinafter referred to as "Landlord", and NewCom Wireless, LLC, Attention: Eric Anderson, 600 SW Columbia, Suite 3210, Bend, Oregon 97702 ("Tenant").

7200

WHEREAS, Landlord owns and maintains a communications tower (the "Tower") located upon a parcel of land (the "Premises") located at 655 Falls Avenue, Twin Falls, Idaho; (See Exhibit A attached hereto) and

WHEREAS, Tenant desires to occupy, and Landlord is willing to provide, attachment locations upon the Tower for Tenant's transmission and receipt of radio-telephone and other electrical signals.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. Demise of Premises. Landlord hereby lets and demises unto Tenant, and Tenant hereby receives and accepts from Landlord, the following described Premises (the "Premises"):

(a) Attachment locations upon the Tower for the placement and affixing of up to three (3), seventy-two inches (72") high, twelve inches (12") wide and three inches (3") deep panel antennas, at ninety feet (90') above ground level (AGL), two (2) two foot (2') microwave dishes at a height above the ground clutter, all devices shall be oriented in such directions as shall be in accordance with Tenant's needs. Additionally, Tenant shall be permitted to add equipment as necessary subject to existing attached devices and the limitations of the Tower.

(b) Tenant shall, at Tenant's sole expense, provided and install one (90') monopole (antenna support structure) at the communication site. The antenna support structure shall be engineered for three tenants; NewCom Wireless, LLC, the City of Twin Falls, and one additional tenant. The antenna support structure shall be the property of the City of Twin Falls. Landlord stipulates that the tower capacity will be determined by the loading requirements of the tenants.

(c) Tenant will, at Tenant's sole expense, install the Landlord's antenna equipment on the antenna support structure upon completion of construction. Landlord will be responsible for installation of any additional equipment. Landlord will be responsible for the maintenance of all their equipment.

(d) Tenant will also be allowed to place an 8' x 14.5' Equipment Shelter near the selected antenna support structure on Tenant's Leasehold Parcel, as described in Exhibit "B". The Tenant shall connect to and receive power from Landlord's power source on the same terms as outlined below in Paragraph 8.

(e) Landlord will be provided rack space in the Tenant's Equipment Shelter for two (2) network bridges, or the equivalent of one-half of a 19 inch rack.

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TF - Fire Station # 2

2. Privileges. Landlord hereby confers upon Tenant the following described privileges appurtenant to the Premises, which shall be irrevocable for the duration hereof:

- (a) To place and affix lines for signal carriage between Tenant's Building and Tenant's antennas upon the Tower, including both the privilege and the obligation to install a suitable line bridge structure;
- (b) To extend and connect lines for utility services between Tenant's Building and utility company service connection points located at the Premises;
- (c) To travel between the Premises and the public road over routes which Landlord is entitled to use.
- (d) To traverse common areas of the Premises reasonably necessary to accomplish Tenant's purposes and contemplated herein.

3. Use of Premises. Tenant shall be entitled to use the Premises to install, operate, and maintain thereon antennas and related equipment for the transmission and receipt of radio-telephone and other electrical signals, but for no other use or purpose. Tenant's use of the Premises shall at all times comply with and conform to all laws and regulations applicable thereto, and shall be subject to Landlord's review and approval regarding Tenant's placement of antennas and lines upon the Tower, and all other matters which Landlord deems, in Landlord's reasonable opinion, to affect Landlord's own operations or interests. The cost of establishing Tenant's base station at the Premises, including the cost of improving the delivery of utility services to the Premises or making any necessary or desirable alterations to the Tower to accommodate Tenant's antennas, lines, and operations, shall borne exclusively by Tenant. Landlord agrees to exercise the utmost restraint in rescinding its approval once given for any portion of Tenant's installation, and to refrain from requiring Tenant to undertake later modifications to Tenant's base station without sharing the cost thereof.

4. Initial Term. The initial term of this Lease shall commence on October 1, 2000, and shall expire seven (7) years thereafter on September 30, 2007.

5. Renewal. This Lease shall automatically renew and extend for up to four (4) additional terms of five (5) years each, as the same shall coincide with, and not exceed, the duration of Landlord's right to keep the Tower at the Premises, upon a continuation of all the same provisions hereof, subject to Tenant's unilateral right of termination as set forth next below.

6. Option to Terminate. Tenant shall have the right to terminate this Lease or any extension thereof at any time upon giving Landlord sixty (60) days written notice by certified mail to Landlord at the address shown above.

7. Collocation Rent. Tenant shall pay Base Rent to Landlord in the amount of ONE DOLLAR (\$1.00) per year, which shall be due when construction begins and then regularly thereafter on the first day of each year, Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or a maximum two payees) who shall receive rent on behalf of the Landlord. Rent will be prorated for any partial year.

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In the eighth (8) year of this agreement the base rent shall be increased to THREE THOUSAND DOLLARS (\$3,000.00) per year.

On every one (1) year anniversary of the commencement date of the term of this lease, rent shall be increased by three percent (3%); and throughout the duration hereof as renewed and extended, the rent shall be increased three percent (3%) per year.

8. Utilities. Tenant shall solely and independently be responsible for the separate metering, billing, and payment of all utility services to be consumed by Tenant's operation; provided, however, that if Landlord and Tenant shall mutually agree for reasons of convenience and practicality Tenant shall be permitted to connect to Landlord's existing electric utility service and to draw power therefrom for Tenant's base station, subject to a duty to reimburse Landlord for Tenant's share of the cost of power. Landlord shall be entitled to allocate its cost of delivering electricity among all users thereof on any basis reasonably estimated to reflect their actual power consumption, and to demand and receive from Tenant such allocated share attributable to Tenant by periodically presenting Tenant with an invoice therefore, or by collecting from Tenant a regular monthly contribution toward the cost of power which Landlord may elect to reconcile to an aggregate share settled by periodic invoice.

9. Taxes. Tenant shall be responsible for taxes levied against Tenant's antennas and lines, and all of Tenant's base station equipment. Landlord shall be responsible for taxes levied against the Tower, Landlord's own Building, auxiliary power generator, if any, and Landlord's base station equipment.

10. Access and Security. Tenant shall have unrestricted access to the Premises and to Landlord's Tower at all hours of the day and night, without any requirement of supervision by the Landlord. Tenant's access to the Tower shall be limited to work performed on Tenant's behalf by a qualified tower services contractor hired at Tenant's sole expense. Landlord and Tenant mutually covenant to admit only their authorized personnel to the Premises, and only in furtherance of the specific business purpose of telecommunications. Doors and gates shall be kept closed and locked except when required to be open for immediate ingress or egress.

11. Non-Interference. Tenant shall not use the Premises in any way which interferes with the use of the Premises by Landlord, the provision of services to Landlord's customers, or the use of the Premises by other tenants or licensees of Landlord. Similarly, Landlord shall not use, nor shall Landlord permit its tenants, licensees, employees, invitees or agents to use any portion of the Premises in any way which interferes with the operations of Tenant. Such interference shall be deemed a material breach by the interfering party who shall, upon written notice from the other party, be responsible for terminating such interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring an action to enjoin such interference and/or to terminate this Lease.

12. Aviation Hazard Marking. Landlord agrees to solely be responsible for full compliance, at all times, with the Tower marking, lighting, maintenance, inspection, recording, notification, and registration requirements of the Federal Communications commission and the Federal Aviation Administration, and to share proof of such compliance with Tenant as Tenant may reasonably require.

13. Mutual Indemnification. Tenant shall indemnify and hold Landlord harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Tenant, or resulting from Tenant's use of the Premises or its presence at the Premises. Landlord shall indemnify and hold Tenant harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Landlord. Neither party shall be required to hold the other party harmless against the unwelcome consequences of such other party's own willful or negligent conduct.

14. Insurance. Tenant shall continuously maintain in full force and effect a policy of commercial general liability insurance covering Tenant's work and operations at the Premises.

15. Opportunity to Cure Defaults. If Landlord or Tenant fails to comply with any provision of this Lease which the other party claims to be a default hereof, the party making such claim shall serve written notice of such default upon the defaulting party, whereupon a grace period of 30 days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional 30 days, provided the defaulting party makes a good faith showing that efforts toward a cure are continuing. This Section shall not apply in cases of interference, which instead shall require immediate and effective curative.

16. Tenant's Separate Property. Landlord hereby agrees that Tenant's base station equipment, including Tenant's antennas and lines, are and shall remain Tenant's separate personal property, and that said property shall never be considered fixtures to the real estate. Tenant shall at all times be authorized to remove Tenant's property from the Premises, free from any lien of Landlord. Such removal shall be accomplished without damage to the property of Landlord or third parties, and in accordance with Landlord's management control of the Premises.

17. Assignment of Tenant's Interest. Tenant's interest under this Lease may be freely assigned in connection with the transfer of Tenant's FCC authorization to operate a communications facility at the Premises. Any other assignment of this Lease by Tenant shall require Landlord's prior written consent, which consent Landlord agrees, shall not unreasonably be withheld. Furthermore, no assignment shall be effected pursuant to this Section unless Tenant shall notify Landlord in a writing setting forth the name, address and telephone number of such assignee.

18. Multiple Users. Tenant shall not sublet the Premises or any portion thereof, or permit the Premises to become occupied by multiple users purporting to concurrently hold Tenant's rights and privileges hereunder, without first obtaining Landlord's consent, which consent shall not be unreasonably withheld.

19. Quiet Enjoyment. Landlord covenants that Tenant shall have quiet and peaceable use and enjoyment of the Premises throughout the duration of this Lease, and that Landlord will not intentionally disturb Tenant's possession thereof as long as Tenant is not in default hereunder.

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20. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's property from the Premises and surrender the Tower Premises to Landlord in good condition, reasonable wear and tear excepted.

21. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant other instruments respecting the Premises, as Tenant or Tenant's lender may reasonably request from time to time, provided that any such instruments are in furtherance of, and do not substantially expand, Tenant's rights and privileges herein established. Such instruments may include a memorandum of lease which may be recorded in the country land records. Landlord also agrees to reasonably cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises, as long as Landlord is not expected to bear the financial burden of any such efforts.

22. Attorney's Fees. In any action on this Lease at law or in equity, the prevailing party shall be entitled to recover the reasonable costs of its successful case, including reasonable attorney's fees and costs of appeal.

23. Merger and Modifications. This Lease contains the entire agreement of the parties, and may not be modified except in writing signed by the party against whom such modification is sought to be enforced.

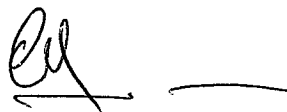
24. Notices. All notices required or desired to be given under this Lease shall be in writing and dispatched by certified mail or commercial courier to the party to be served at its address as follows:

If to Landlord:

City of Twin Falls
C/o Thomas J. Courtney, City Manager
P.O. Box 1907
Twin Falls, ID 83303-1907

If to Tenant:

NEWCOM WIRELESS, LLC
600 S.W. Columbia, Suite ~~3210~~ 7200
Bend, Or 97702



or at such other address as such party may previously have advised the other party by notice similarly given.

24. Binding Effect. All of the provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest.

IN WITNESS WHEREOF, the parties hereto bind themselves to this Lease as of the day and year first above written.

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TF - Fire Station # 2

City of Twin Falls, Idaho

NewCom Wireless, LLC

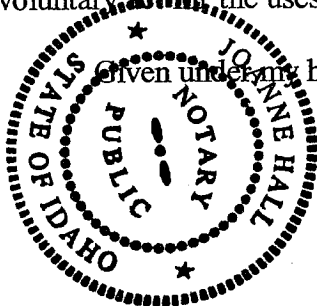
By: Thomas J. Courtney
Thomas J. Courtney
City Manager
City of Twin Falls, Idaho

By: Erie Anderson
Erie Anderson
Director of Engineering
NewCom Wireless, LLC

Social Security # (or FEIN)

STATE OF Idaho
COUNTY OF Twin Falls

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Thomas J. Courtney, City Manager for the City of Twin Falls, ID, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and severally acknowledged that he signed the said Lease as his free and voluntary act for the uses and purposes therein stated.



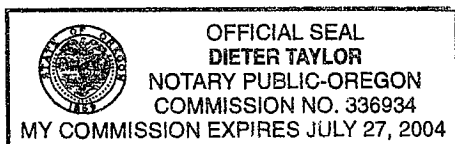
Given under my hand and seal this 27th day of Sept, 2000.

Joanne Hall
Notary Public

STATE OF Oregon
COUNTY OF Deschutes

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Eric Anderson, Director of Engineering for NewCom Wireless, LLC, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of NewCom Wireless, LLC, for the uses and purposes therein stated.

Given under my hand and seal this 13th day of October, 2000.



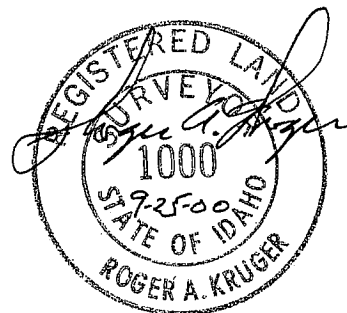
Dieter Taylor
Notary Public

**CSI Access Easement
New Com Wireless
Twin Falls CSI Fire Station No. 2
Site No. ID-224**

A 20.00 foot wide vehicular access easement located in a portion of SW1/4SE1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Southeast corner of Section 4. Said point lies South $89^{\circ}09'41''$ East, 2624.78 feet from the South quarter corner of Section 4. Thence North $80^{\circ}49'18''$ West, 1541.81 feet. Thence North $88^{\circ}59'51''$ West, 10.00 feet. Thence South $11^{\circ}11'56''$ East 56.48 feet to THE REAL POINT OF BEGINNING of the centerline of said 20.00 foot wide easement.

Thence South $56^{\circ}05'08''$ West 29.00 feet to the ending point of the centerline of said easement.

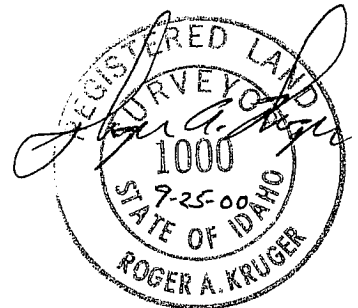


**CSI Utility Easement
New Com Wireless
Twin Falls CSI Fire Station No. 2
Site No. ID-224**

A 12.00 foot wide utility easement located in a portion of SW1/4SE1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Southeast corner of Section 4. Said point lies South 89°09'41" East, 2624.78 feet from the South quarter corner of Section 4. Thence North 80°49'18" West, 1541.81 feet. Thence North 88°59'51" West, 10.00 feet, thence South 03° 33'41" East 49.38 feet to THE REAL POINT OF BEGINNING of the centerline of said 12.00 foot wide easement.

Thence South 03°33'41" East, 88.00 feet to the ending point of the centerline of said easement.

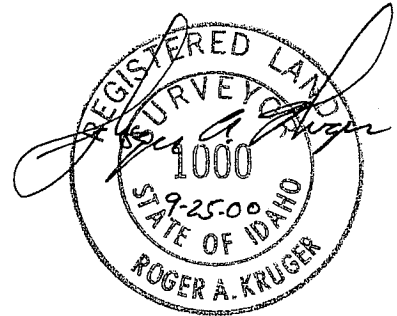


**City – Utility Easement
New Com Wireless
Twin Falls CSI Fire Station No. 2
Site No. ID-224**

A 12.00 foot wide utility easement located in a portion of SW1/4SE1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Southeast corner of Section 4. Said point lies South 89°09'41" East, 2624.78 feet from the South quarter corner of Section 4. Thence North 80°49'18" West, 1541.81 feet thence North 88°59'51" West, 10.00 feet, to THE REAL POINT OF BEGINNING of the centerline of said 12.00 foot wide easement.

Thence South 03°33'41" East, 49.38 feet to the ending point of the centerline of said easement.

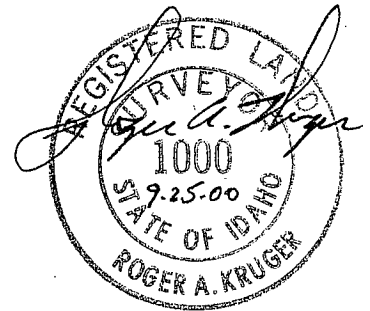


**City Access Easement
New Com Wireless
Twin Falls CSI Fire Station No. 2
Site No. ID-224**

A 20.00 foot wide vehicular access easement located in a portion of SW1/4SE1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Southeast corner of Section 4. Said point lies South $89^{\circ}09'41''$ East, 2524.78 feet from the South quarter corner of Section 4. Thence North $80^{\circ}49'18''$ West, 1541.81 feet. Thence North $88^{\circ}59'51''$ West 10.00 feet, to THE REAL POINT OF BEGINNING of the centerline of said 20.00 foot wide easement.

Thence South $11^{\circ}11'56''$ East, 56.48 feet to the ending point of the centerline of said easement.



**Lease Area
New Com Wireless
Twin Falls CSI Fire Station No.2
Site No. ID-224**

A parcel of land located in a portion of SW1/4SE1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the Southeast corner of Section 4. Said point lies South $89^{\circ}09'41''$ East, 2624.78 feet from the South quarter corner of Section 4. Thence North $80^{\circ}49'18''$ West, 1541.81 feet to THE REAL POINT OF BEGINNING.

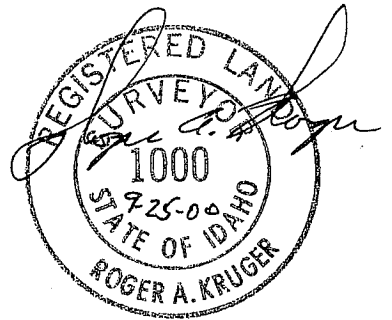
Thence North $88^{\circ}59'51''$ West, 30.00 feet,

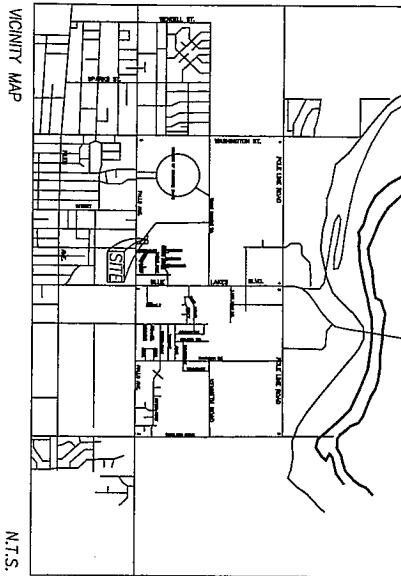
Thence North $01^{\circ}00'09''$ East, 40.00 feet,

Thence South $88^{\circ}59'51''$ East, 30.00 feet,

Thence South $01^{\circ}00'09''$ West, 40.00 feet to THE REAL POINT OF BEGINNING.

Containing approximately 1200 Sq. Ft.





Lease Parcel Legal Description

A parcel of land located in a portion of 287/1027/1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

Commencing at the Southeast corner of Section 4, said parcel line of Section 4, Thence North 87°29'17" West, 5841.8 Feet to THE REAL POINT OF BEGINNING.

Thence North 87°29'17" West, 2000 Feet.

Thence North 01°10'07" East, 4120 Feet.

Thence South 01°10'07" West, 4120 Feet to THE REAL POINT OF BEGINNING.

Containing Approximately 1000 Sq. Ft.

Utility Easement Legal Description

A 1200 Foot wide utility easement located in a portion of 287/1027/1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

Commencing at the Southeast corner of Section 4, said parcel line of Section 4, Thence North 87°29'17" West, 5841.8 Feet to THE REAL POINT OF BEGINNING.

Thence North 01°10'07" East, 4120 Feet.

Thence South 01°10'07" West, 4120 Feet to THE REAL POINT OF BEGINNING.

Containing Approximately 1000 Sq. Ft.

Access Easement Legal Description

A 2000 Foot wide vehicle access easement located in a portion of 287/1027/1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

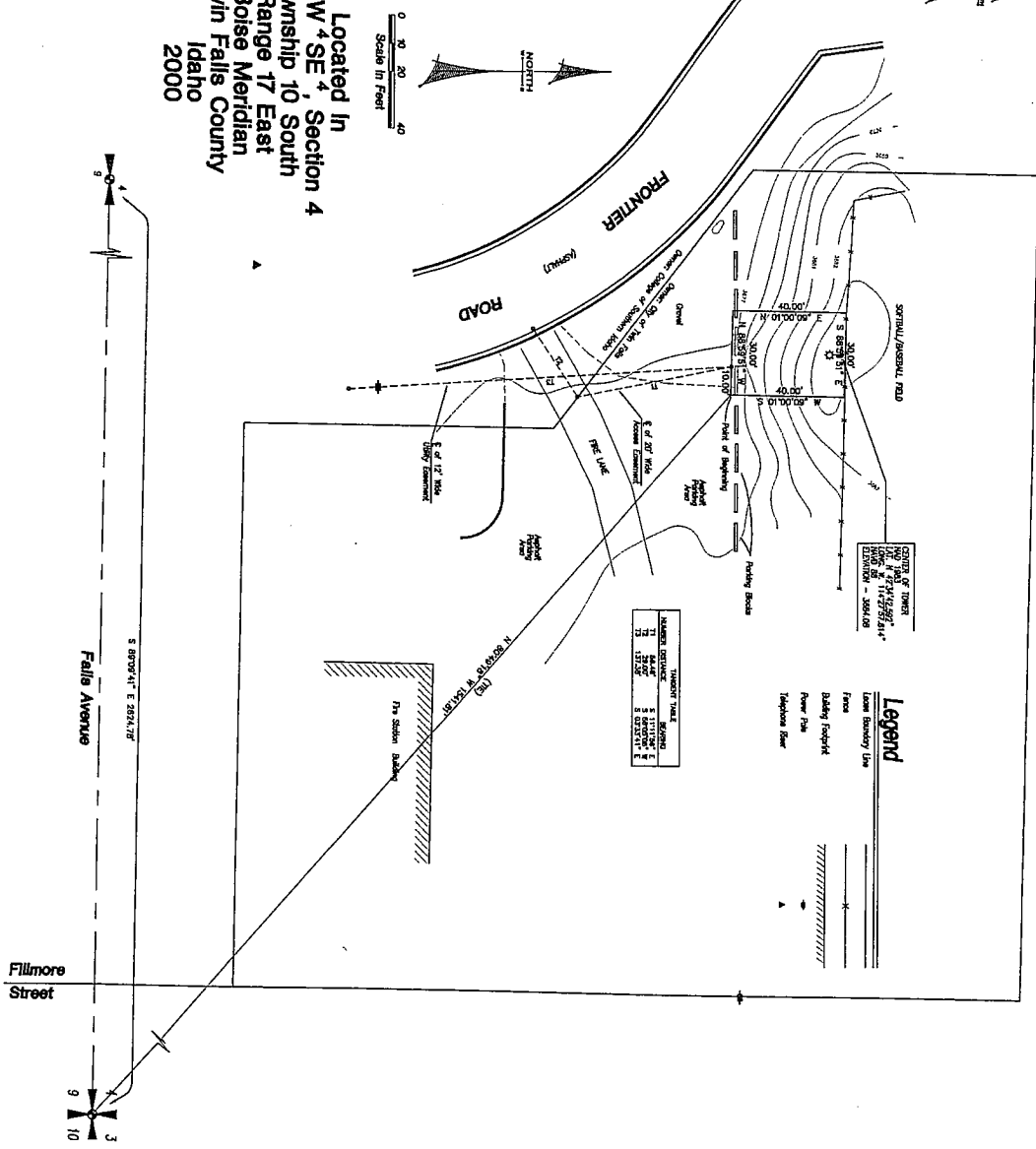
Commencing at the Southeast corner of Section 4, said parcel line of Section 4, Thence North 87°29'17" West, 5841.8 Feet to THE REAL POINT OF BEGINNING.

Thence North 01°10'07" East, 4120 Feet.

Thence South 01°10'07" West, 4120 Feet to THE REAL POINT OF BEGINNING.

Containing Approximately 1000 Sq. Ft.

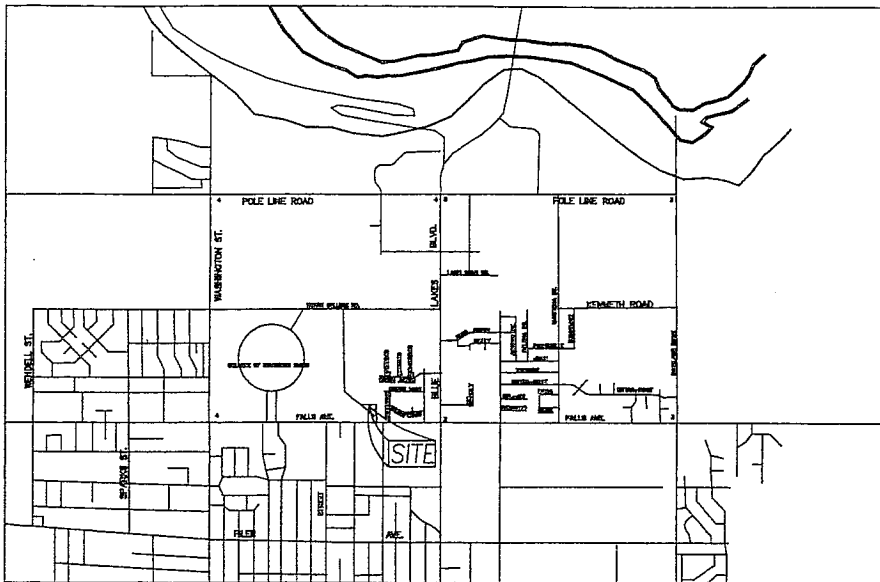
Located In
SE 4 SW 4 SE 4, Section 4
Township 10 South
Range 17 East
Boise Meridian
Twin Falls County
Idaho
2000



Topographic Survey for
Newcom Wireless
Fire Station No. 2 Site No. ID - 224

EHM Engineers Inc.
ENGINEERS/SURVEYORS/PLANNERS
621 N. COLLEGE RD., SUITE 100
TWIN FALLS, IDAHO 83301
PH: 208.734.4658 FAX: 208.734.0049
E-MAIL: ehm@ehm-inc.com

DATE: 21 AUG 00
BY: SHOWN
CHECK: 05/05/01



VICINITY MAP

N.T.S.

Lease Parcel Legal Description

A parcel of land located in a portion of SW1/4SE1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the Southeast corner of Section 4. Said point lies South 89°09'41" East, 2624.78 feet from the South quarter corner of Section 4. Thence North 80°49'18" West, 1541.81 feet to THE REAL POINT OF BEGINNING.

Thence North 88°59'51" West, 30.00 feet,

Thence North 01°00'09" East, 40.00 feet,

Thence South 88°59'51" East, 30.00 feet,

Thence South 01°00'09" West, 40.00 feet to THE REAL POINT OF BEGINNING.

Containing Approximately 1200 Sq. Ft.

Utility Easement Legal Description

A 12.00 foot wide utility easement located in a portion of SW1/4SE1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Southeast corner of Section 4. Said point lies South 89°09'41" East, 2624.78 feet from the South quarter corner of Section 4. Thence North 80°49'18" West, 1541.81 feet. Thence North 88°59'51" West, 10.00 feet, to THE REAL POINT OF BEGINNING of the centerline of said 12.00 foot wide easement.

Thence South 03°33'41" East, 137.38 feet to the ending point of the centerline of said easement.

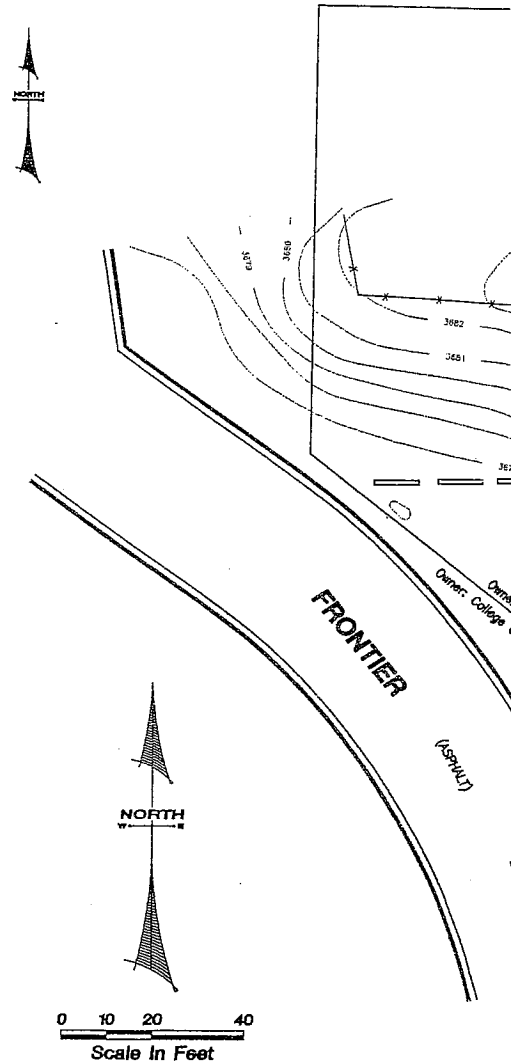
Access Easement Legal Description

A 20.00 foot wide vehicular access easement located in a portion of SW1/4SE1/4, Section 4, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Southeast corner of Section 4. Said point lies South 89°09'41" East, 2624.78 feet from the South quarter corner of Section 4. Thence North 80°49'18" West, 1541.81 feet. Thence North 88°59'51" West, 10.00 feet to THE REAL POINT OF BEGINNING of the centerline of said 20.00 foot wide easement.

Thence South 11°11'56" East 56.48 feet,

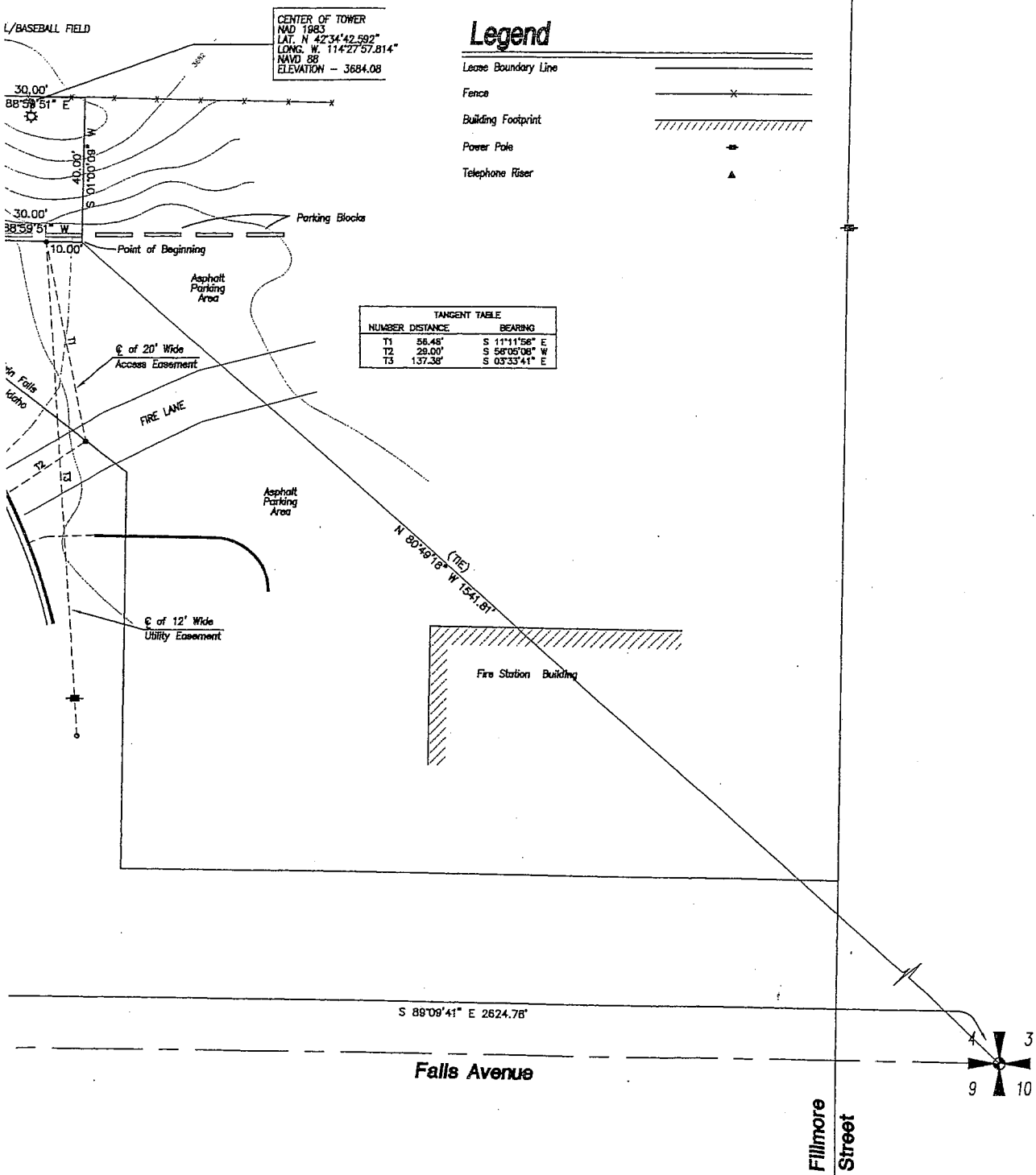
Thence South 56°05'08" West 29.00 feet to the ending point of the centerline of said easement.



Located In
SE ⁴ SW ⁴ SE ⁴, Section 4
Township 10 South
Range 17 East
Boise Meridian
Twin Falls County
Idaho
2000



300Y



EHM Engineers Inc.
 ENGINEERS/SURVEYORS/PLANNERS
 621 N. COLLEGE RD. SUITE 100
 TWIN FALLS, IDAHO 83301
 PH. 208.734.4888 FAX 208.734.8049
 E-MAIL: ehminc.com

Topographic Survey for
Newcom Wireless
Fire Station No. 2 Site No. ID - 224

APPROVED _____

DESIGN _____

DRAWN **DJS**

DATE **21 AUG 00**

SCALE **SHOWN**

DRAW. NO. **36300ST1**

ID -
TF - New City Shop

This lease is contingent upon approval of a Special Use Permit by the Planning & Zoning Commission for a telecommunication tower. L-517
ED 9/28/06

TOWER SPACE LEASE - NEW CITY SHOP

This Lease is made and entered into the 22nd day of September 2000, by and between the City of Twin Falls, Idaho, 321 Second Avenue East, Twin Falls, Idaho, 83303-1907, hereinafter referred to as "Landlord", and NewCom Wireless, LLC, Attention: Eric Anderson, 600 SW Columbia, Suite 3210, Bend, Oregon 97702 ("Tenant").

WHEREAS, Landlord owns and maintains a communications tower (the "Tower") located upon a parcel of land (the "Premises") located at 458 Victory Avenue, Twin Falls, Idaho; (See Exhibit A attached hereto) and

WHEREAS, Tenant desires to occupy, and Landlord is willing to provide, attachment locations upon the Tower for Tenant's transmission and receipt of radio-telephone and other electrical signals.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. Demise of Premises. Landlord hereby lets and demises unto Tenant, and Tenant hereby receives and accepts from Landlord, the following described Premises (the "Premises"):

(a) Attachment locations upon the Tower for the placement and affixing of up to three (3), seventy-two inches (72") high, twelve inches (12") wide and three inches (3") deep panel antennas, at ninety feet (90') above ground level (AGL), two (2) two foot (2') microwave dishes at a height above the ground clutter, all devices shall be oriented in such directions as shall be in accordance with Tenant's needs. Additionally, Tenant shall be permitted to add equipment as necessary subject to existing attached devices and the limitations of the Tower.

(b) Tenant shall, at Tenant's sole expense, provided and install one (90') monopole (antenna support structure) at the communication site. The antenna support structure shall be engineered for three tenants; NewCom Wireless, LLC, the City of Twin Falls, and one additional tenant. The antenna support structure shall be the property of the City of Twin Falls. Landlord stipulates that the tower capacity will be determined by the loading requirements of the tenants.

(c) Tenant will, at Tenant's sole expense, install the Landlord's antenna equipment on the antenna support structure upon completion of construction. Landlord will be responsible for installation of any additional equipment. Landlord will be responsible for the maintenance of all their equipment.

(d) Tenant will also be allowed to place an 8' x 14.5' Equipment Shelter near the selected antenna support structure on Tenant's Leasehold Parcel, as described in Exhibit "B". The Tenant shall connect to and receive power from Landlord's power source on the same terms as outlined below in Paragraph 8.

(e) Landlord will be provided rack space in the Tenant's Equipment Shelter for two (2) network bridges, or the equivalent of one-half of a 19 inch rack.

ID - _____
TF - New City Shop

2. Privileges. Landlord hereby confers upon Tenant the following described privileges appurtenant to the Premises, which shall be irrevocable for the duration hereof:

- (a) To place and affix lines for signal carriage between Tenant's Building and Tenant's antennas upon the Tower, including both the privilege and the obligation to install a suitable line bridge structure;
- (b) To extend and connect lines for utility services between Tenant's Building and utility company service connection points located at the Premises;
- (c) To travel between the Premises and the public road over routes which Landlord is entitled to use.
- (d) To traverse common areas of the Premises reasonably necessary to accomplish Tenant's purposes and contemplated herein.

3. Use of Premises. Tenant shall be entitled to use the Premises to install, operate, and maintain thereon antennas and related equipment for the transmission and receipt of radio-telephone and other electrical signals, but for no other use or purpose. Tenant's use of the Premises shall at all times comply with and conform to all laws and regulations applicable thereto, and shall be subject to Landlord's review and approval regarding Tenant's placement of antennas and lines upon the Tower, and all other matters which Landlord deems, in Landlord's reasonable opinion, to affect Landlord's own operations or interests. The cost of establishing Tenant's base station at the Premises, including the cost of improving the delivery of utility services to the Premises or making any necessary or desirable alterations to the Tower to accommodate Tenant's antennas, lines, and operations, shall borne exclusively by Tenant. Landlord agrees to exercise the utmost restraint in rescinding its approval once given for any portion of Tenant's installation, and to refrain from requiring Tenant to undertake later modifications to Tenant's base station without sharing the cost thereof.

4. Initial Term. The initial term of this Lease shall commence on October 1, 2000, and shall expire seven (7) years thereafter on September 30, 2007.

5. Renewal. This Lease shall automatically renew and extend for up to four (4) additional terms of five (5) years each, as the same shall coincide with, and not exceed, the duration of Landlord's right to keep the Tower at the Premises, upon a continuation of all the same provisions hereof, subject to Tenant's unilateral right of termination as set forth next below.

6. Option to Terminate. Tenant shall have the right to terminate this Lease or any extension thereof at any time upon giving Landlord sixty (60) days written notice by certified mail to Landlord at the address shown above.

7. Collocation Rent. Tenant shall pay Base Rent to Landlord in the amount of ONE DOLLAR (\$1.00) per year, which shall be due when construction begins and then regularly thereafter on the first day of each year, Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or a maximum two payees) who shall receive rent on behalf of the Landlord. Rent will be prorated for any partial year.

ID - _____
TF - New City Shop

In the eighth (8) year of this agreement the base rent shall be increased to THREE THOUSAND DOLLARS (\$3,000.00) per year.

On every one (1) year anniversary of the commencement date of the term of this lease, rent shall be increased by three percent (3%); and throughout the duration hereof as renewed and extended, the rent shall be increased three percent (3%) per year.

8. Utilities. Tenant shall solely and independently be responsible for the separate metering, billing, and payment of all utility services to be consumed by Tenant's operation; provided, however, that if Landlord and Tenant shall mutually agree for reasons of convenience and practicality Tenant shall be permitted to connect to Landlord's existing electric utility service and to draw power therefrom for Tenant's base station, subject to a duty to reimburse Landlord for Tenant's share of the cost of power. Landlord shall be entitled to allocate its cost of delivering electricity among all users thereof on any basis reasonably estimated to reflect their actual power consumption, and to demand and receive from Tenant such allocated share attributable to Tenant by periodically presenting Tenant with an invoice therefore, or by collecting from Tenant a regular monthly contribution toward the cost of power which Landlord may elect to reconcile to an aggregate share settled by periodic invoice.

9. Taxes. Tenant shall be responsible for taxes levied against Tenant's antennas and lines, and all of Tenant's base station equipment. Landlord shall be responsible for taxes levied against the Tower, Landlord's own Building, auxiliary power generator, if any, and Landlord's base station equipment.

10. Access and Security. Tenant shall have unrestricted access to the Premises and to Landlord's Tower at all hours of the day and night, without any requirement of supervision by the Landlord. Tenant's access to the Tower shall be limited to work performed on Tenant's behalf by a qualified tower services contractor hired at Tenant's sole expense. Landlord and Tenant mutually covenant to admit only their authorized personnel to the Premises, and only in furtherance of the specific business purpose of telecommunications. Doors and gates shall be kept closed and locked except when required to be open for immediate ingress or egress.

11. Non-Interference. Tenant shall not use the Premises in any way which interferes with the use of the Premises by Landlord, the provision of services to Landlord's customers, or the use of the Premises by other tenants or licensees of Landlord. Similarly, Landlord shall not use, nor shall Landlord permit its tenants, licensees, employees, invitees or agents to use any portion of the Premises in any way which interferes with the operations of Tenant. Such interference shall be deemed a material breach by the interfering party who shall, upon written notice from the other party, be responsible for terminating such interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring an action to enjoin such interference and/or to terminate this Lease.

12. Aviation Hazard Marking. Landlord agrees to solely be responsible for full compliance, at all times, with the Tower marking, lighting, maintenance, inspection, recording, notification, and registration requirements of the Federal Communications commission and the Federal Aviation Administration, and to share proof of such compliance with Tenant as Tenant may reasonably require.

ID - _____
TF - New City Shop

13. Mutual Indemnification. Tenant shall indemnify and hold Landlord harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Tenant, or resulting from Tenant's use of the Premises or its presence at the Premises. Landlord shall indemnify and hold Tenant harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Landlord. Neither party shall be required to hold the other party harmless against the unwelcome consequences of such other party's own willful or negligent conduct.

14. Insurance. Tenant shall continuously maintain in full force and effect a policy of commercial general liability insurance covering Tenant's work and operations at the Premises.

15. Opportunity to Cure Defaults. If Landlord or Tenant fails to comply with any provision of this Lease which the other party claims to be a default hereof, the party making such claim shall serve written notice of such default upon the defaulting party, whereupon a grace period of 30 days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional 30 days, provided the defaulting party makes a good faith showing that efforts toward a cure are continuing. This Section shall not apply in cases of interference, which instead shall require immediate and effective curative.

16. Tenant's Separate Property. Landlord hereby agrees that Tenant's base station equipment, including Tenant's antennas and lines, are and shall remain Tenant's separate personal property, and that said property shall never be considered fixtures to the real estate. Tenant shall at all times be authorized to remove Tenant's property from the Premises, free from any lien of Landlord. Such removal shall be accomplished without damage to the property of Landlord or third parties, and in accordance with Landlord's management control of the Premises.

17. Assignment of Tenant's Interest. Tenant's interest under this Lease may be freely assigned in connection with the transfer of Tenant's FCC authorization to operate a communications facility at the Premises. Any other assignment of this Lease by Tenant shall require Landlord's prior written consent, which consent Landlord agrees, shall not unreasonably be withheld. Furthermore, no assignment shall be effected pursuant to this Section unless Tenant shall notify Landlord in a writing setting forth the name, address and telephone number of such assignee.

18. Multiple Users. Tenant shall not sublet the Premises or any portion thereof, or permit the Premises to become occupied by multiple users purporting to concurrently hold Tenant's rights and privileges hereunder, without first obtaining Landlord's consent, which consent shall not be unreasonably withheld.

19. Quiet Enjoyment. Landlord covenants that Tenant shall have quiet and peaceable use and enjoyment of the Premises throughout the duration of this Lease, and that Landlord will not intentionally disturb Tenant's possession thereof as long as Tenant is not in default hereunder.

ID - _____
TF - New City Shop

20. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's property from the Premises and surrender the Tower Premises to Landlord in good condition, reasonable wear and tear excepted.

21. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant other instruments respecting the Premises, as Tenant or Tenant's lender may reasonably request from time to time, provided that any such instruments are in furtherance of, and do not substantially expand, Tenant's rights and privileges herein established. Such instruments may include a memorandum of lease which may be recorded in the country land records. Landlord also agrees to reasonably cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises, as long as Landlord is not expected to bear the financial burden of any such efforts.

22. Attorney's Fees. In any action on this Lease at law or in equity, the prevailing party shall be entitled to recover the reasonable costs of its successful case, including reasonable attorney's fees and costs of appeal.

23. Merger and Modifications. This Lease contains the entire agreement of the parties, and may not be modified except in writing signed by the party against whom such modification is sought to be enforced.

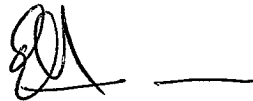
24. Notices. All notices required or desired to be given under this Lease shall be in writing and dispatched by certified mail or commercial courier to the party to be served at its address as follows:

If to Landlord:

City of Twin Falls
C/o Thomas J. Courtney, City Manager
P.O. Box 1907
Twin Falls, ID 83303-1907

If to Tenant:

NEWCOM WIRELESS, LLC
600 S.W. Columbia, Suite 3210 7200
Bend, Or 97702



or at such other address as such party may previously have advised the other party by notice similarly given.

24. Binding Effect. All of the provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest.

IN WITNESS WHEREOF, the parties hereto bind themselves to this Lease as of the day and year first above written.

ID - _____
TF - New City Shop

City of Twin Falls, Idaho

By: Thomas J. Courtney
Thomas J. Courtney
City Manager
City of Twin Falls, Idaho

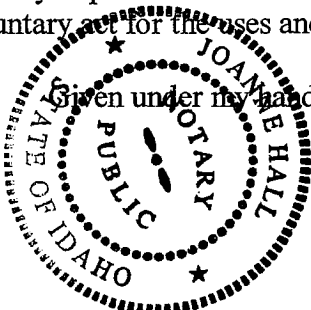
NewCom Wireless, LLC

By: Eric Anderson
Eric Anderson
Director of Engineering
NewCom Wireless, LLC

Social Security # (or FEIN)

STATE OF Idaho
COUNTY OF Twin Falls

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Thomas J. Courtney, City Manager for the City of Twin Falls, ID, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and severally acknowledged that he signed the said Lease as his free and voluntary act for the uses and purposes therein stated.



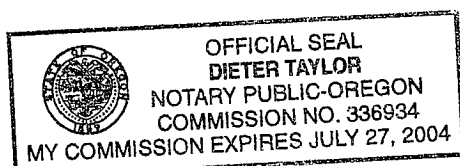
Given under my hand and seal this 27th day of Sept, 2000.

Joanne Hall
Notary Public

STATE OF Oregon
COUNTY OF Deschutes

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Eric Anderson, Director of Engineering for NewCom Wireless, LLC, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of NewCom Wireless, LLC, for the uses and purposes therein stated.

Given under my hand and seal this 13th day of October, 2000.



Dieter Taylor
Notary Public

**Lease Area
New Com Wireless
Twin Falls West
Site No. ID-229**

A portion of Lot 1, "City Industrial Subdivision", recorded as instrument No. 1994 002940, Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the Northwest corner of said Lot 1. Thence South $00^{\circ}41'12''$ East, 90.69 feet along the West boundary of said Lot 1. Thence North $89^{\circ}18'48''$ East, 15.00 feet to THE REAL POINT OF BEGINNING.

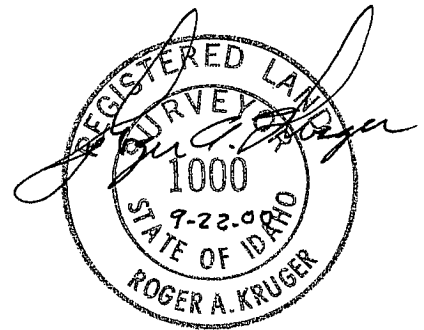
Thence North $00^{\circ}41'12''$ West, 50.00 feet,

Thence North $89^{\circ}18'48''$ East, 50.00 feet,

Thence South $00^{\circ}41'12''$ East, 50.00 feet,

Thence South $89^{\circ}18'48''$ West, 50.00 feet to THE REAL POINT OF BEGINNING.

Containing Approximately 2500 Sq. Ft.



**Access Easement
New Com Wireless
Twin Falls West
Site No. ID-229**

A vehicular access easement located in a portion of Lot 1, "City Industrial Subdivision", recorded as instrument No. 1994002940, Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the Northwest corner of said Lot 1. Thence South $00^{\circ}41'12''$ East, 90.69 feet along the West boundary of said Lot 1 to THE REAL POINT OF BEGINNING.

Thence South $00^{\circ}41'12''$ East, 1014.67 feet along the West boundary of said Lot 1.

Thence South $87^{\circ}05'16''$ East, 21.00 feet along the boundary of said Lot 1.

Thence South $01^{\circ}12'07''$ East, 29.90 feet along the boundary of said Lot 1.

Thence South $87^{\circ}05'16''$ East, 265.24 feet along the extended boundary of the platted utility easement.

Thence along a curve right on the boundary of said Lot 1.

$\Delta - 22^{\circ}40'33''$

R - 388.10'

A - 153.60'

C - 152.60'

LCB - North $81^{\circ}34'27''$ East

Thence North $87^{\circ}05'16''$ West, 393.11 feet along the boundary of the platted utility easement.

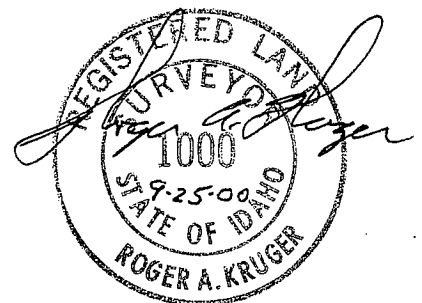
Thence North $48^{\circ}43'00''$ West, 40.10 feet along the boundary of the platted utility easement.

Thence North $00^{\circ}41'12''$ West, 970.50 feet along the boundary of the platted utility easement.

Thence North $89^{\circ}18'48''$ East, 20.00 feet.

Thence North $00^{\circ}41'12''$ West, 20.00 feet.

Thence South $89^{\circ}18'48''$ West, 35.00 feet to THE REAL POINT OF BEGINNING.



ID – 229
Twin Falls West

LEASE ADDENDUM

This Lease Addendum is entered into this 22nd day of September 2000, by and between the City of Twin Falls, Idaho, 321 Second Avenue East, Twin Falls, Idaho, 83303-1907 ("Landlord"), and Edge Wireless, LLC, an Oregon limited liability company formerly known as NewCom Wireless, LLC ("Tenant").

Recitals:

- A. Landlord and Tenant entered into a Lease (hereafter referred to as "the Lease"), dated the 22nd day of September 2000, wherein Tenant agreed to lease from Landlord real property and improvements commonly known as the Twin Falls West Site located at 458 Victory Avenue, Twin Falls, Idaho.
- B. Effective November 15, 2000, Tenant changed its name from NewCom Wireless, LLC to Edge Wireless, LLC.
- C. The parties hereto wish to modify the Lease.

NOW, THEREFORE, it is hereby agreed as follows:

- 1. Effective November 15, 2000, the name of Tenant became Edge Wireless, LLC.
- 2. The following numbered sections of the Lease are modified as follows:

1. Demise of Premises. Landlord hereby lets and demises unto Tenant, and Tenant hereby receives and accepts from Landlord, the following described Premises (the "Premises"):

(a) Attachment locations upon the Tower for the placement and affixing of up to nine (9), seventy-two inches (72") high, twelve inches (12") wide and three inches (3") deep panel antennas, at one hundred and twenty-five feet (125') above ground level (AGL), two (2) two foot (2') microwave dishes at a height above the ground clutter, all devices shall be oriented in such directions as shall be in accordance with Tenant's needs. Additionally, Tenant shall be permitted to add equipment as necessary subject to existing attached devices and the limitations of the Tower.

(b) Tenant shall, at Tenant's sole expense, provided and install one (1) one hundred and twenty-five foot (125') steel monopole (antenna support structure) at the communication site. The antenna support structure shall be engineered for three tenants; NewCom Wireless, LLC, the City of Twin Falls, and one additional tenant. The antenna support structure shall be the property of the City of Twin Falls. Landlord stipulates that the tower capacity will be determined by the loading requirements of the tenants.

(c) Tenant will, at Tenant's sole expense, install the Landlord's antenna equipment on the antenna support structure upon completion of construction. Landlord will be responsible for installation of any additional equipment. Landlord will be responsible for the maintenance of all their equipment.

(d) Tenant will also be allowed to place an 8' x 14.5' Equipment Shelter near the selected antenna support structure on Tenant's Leasehold Parcel, as described in Exhibit "B". The Tenant shall connect to and receive power from Landlord's power source on the same terms as outlined below in Paragraph 8.

ID - 229

Twin Falls West

(e) Landlord will be provided rack space in the Tenant's Equipment Shelter for two (2) network bridges, or the equivalent of one-half of a 19 inch rack.

4. Initial Term. The initial term of this Lease shall commence on October 1, 2000, and shall expire twenty (20) years thereafter on September 30, 2020.

5. Renewal. This Lease shall automatically renew and extend for up to two (2) additional terms of five (5) years each, as the same shall coincide with, and not exceed, the duration of Landlord's right to keep the Tower at the Premises, upon a continuation of all the same provisions hereof, subject to Tenant's unilateral right of termination as set forth next below.

7. Collocation Rent. Tenant shall pay Base Rent to Landlord in the amount of ONE DOLLAR (\$1.00) per year, which shall be due when construction begins and then regularly thereafter on the first day of each year, Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or a maximum two payees) who shall receive rent on behalf of the Landlord. Rent will be prorated for any partial year.

In the twenty-first (21) year of this agreement the base rent shall be increased to THREE THOUSAND DOLLARS (\$3,000.00) per year.

On every one (1) year anniversary of the commencement date of the term of this lease, rent shall be increased by three percent (3%); and throughout the duration hereof as renewed and extended, the rent shall be increased three percent (3%) per year.

3. All other terms of the Lease shall remain the same.

4. This Lease Addendum may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

City of Twin Falls, Idaho

Edge Wireless, LLC

By: Thomas J. Courtney
Thomas J. Courtney
City Manager
City of Twin Falls, Idaho

By: Michael Brink
Michael Brink
Chief Technical Office
Edge Wireless, LLC

Social Security # (or FEIN)

L 517

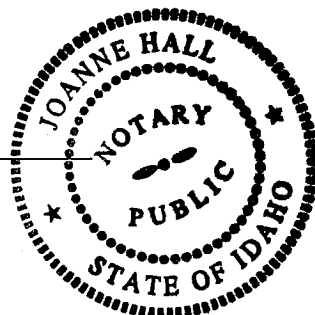
ID - 229
Twin Falls West

STATE OF Idaho)
COUNTY OF Twin Falls)

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Thomas J. Courtney, City Manager for the City of Twin Falls, ID, known to me to be the same person whose name is subscribed to the foregoing Lease Addendum appeared before me this day in person and severally acknowledged that he signed the said Lease Addendum as his free and voluntary act on behalf of the City of Twin Falls, ID, for the uses and purposes therein stated.

Given under my hand and seal this 15th day of December, 2000.

Joanne Hall
Notary Public

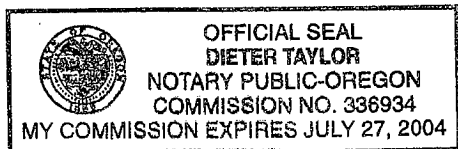


STATE OF Oregon)
COUNTY OF Deschutes)

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Michael Brink, Chief Technical Officer for Edge Wireless, LLC, known to me to be the same person whose name is subscribed to the foregoing Lease Addendum, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of Edge Wireless, LLC, for the uses and purposes therein stated.

Given under my hand and seal this 26 day of December, 2000.

[Signature]
Notary Public



L-517

ID - 229
Twin Falls West

LEASE ADDENDUM

This Lease Addendum is entered into this 22nd day of September 2000, by and between the City of Twin Falls, Idaho, 321 Second Avenue East, Twin Falls, Idaho, 83303-1907 ("Landlord"), and Edge Wireless, LLC, an Oregon limited liability company formerly known as NewCom Wireless, LLC ("Tenant").

Recitals:

- A. Landlord and Tenant entered into a Lease (hereafter referred to as "the Lease"), dated the 22nd day of September 2000, wherein Tenant agreed to lease from Landlord real property and improvements commonly known as the Twin Falls West Site located at 458 Victory Avenue, Twin Falls, Idaho.
- B. Effective November 15, 2000, Tenant changed its name from NewCom Wireless, LLC to Edge Wireless, LLC.
- C. The parties hereto wish to modify the Lease.

NOW, THEREFORE, it is hereby agreed as follows:

- 1. Effective November 15, 2000, the name of Tenant became Edge Wireless, LLC.
- 2. The following numbered sections of the Lease are modified as follows:

1. Demise of Premises. Landlord hereby lets and demises unto Tenant, and Tenant hereby receives and accepts from Landlord, the following described Premises (the "Premises"):

(a) Attachment locations upon the Tower for the placement and affixing of up to nine (9), seventy-two inches (72") high, twelve inches (12") wide and three inches (3") deep panel antennas, at one hundred and twenty-five feet (125') above ground level (AGL), two (2) two foot (2') microwave dishes at a height above the ground clutter, all devices shall be oriented in such directions as shall be in accordance with Tenant's needs. Additionally, Tenant shall be permitted to add equipment as necessary subject to existing attached devices and the limitations of the Tower.

(b) Tenant shall, at Tenant's sole expense, provided and install one (1) one hundred and twenty-five foot (125') steel monopole (antenna support structure) at the communication site. The antenna support structure shall be engineered for three tenants; NewCom Wireless, LLC, the City of Twin Falls, and one additional tenant. The antenna support structure shall be the property of the City of Twin Falls. Landlord stipulates that the tower capacity will be determined by the loading requirements of the tenants.

(c) Tenant will, at Tenant's sole expense, install the Landlord's antenna equipment on the antenna support structure upon completion of construction. Landlord will be responsible for installation of any additional equipment. Landlord will be responsible for the maintenance of all their equipment.

(d) Tenant will also be allowed to place an 8' x 14.5' Equipment Shelter near the selected antenna support structure on Tenant's Leasehold Parcel, as described in Exhibit "B". The Tenant shall connect to and receive power from Landlord's power source on the same terms as outlined below in Paragraph 8.

ID - 229

Twin Falls West

(e) Landlord will be provided rack space in the Tenant's Equipment Shelter for two (2) network bridges, or the equivalent of one-half of a 19 inch rack.

4. Initial Term. The initial term of this Lease shall commence on October 1, 2000, and shall expire twenty (20) years thereafter on September 30, 2020.

5. Renewal. This Lease shall automatically renew and extend for up to two (2) additional terms of five (5) years each, as the same shall coincide with, and not exceed, the duration of Landlord's right to keep the Tower at the Premises, upon a continuation of all the same provisions hereof, subject to Tenant's unilateral right of termination as set forth next below.

7. Collocation Rent. Tenant shall pay Base Rent to Landlord in the amount of ONE DOLLAR (\$1.00) per year, which shall be due when construction begins and then regularly thereafter on the first day of each year, Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or a maximum two payees) who shall receive rent on behalf of the Landlord. Rent will be prorated for any partial year.

In the twenty-first (21) year of this agreement the base rent shall be increased to THREE THOUSAND DOLLARS (\$3,000.00) per year.

On every one (1) year anniversary of the commencement date of the term of this lease, rent shall be increased by three percent (3%); and throughout the duration hereof as renewed and extended, the rent shall be increased three percent (3%) per year.

3. All other terms of the Lease shall remain the same.

4. This Lease Addendum may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

City of Twin Falls, Idaho

Edge Wireless, LLC

By: Thomas J. Courtney
Thomas J. Courtney
City Manager
City of Twin Falls, Idaho

By: Michael Brink
Michael Brink
Chief Technical Office
Edge Wireless, LLC

Social Security # (or FEIN)

L-517

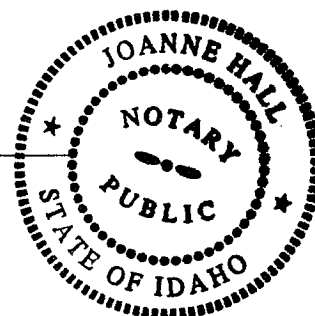
ID - 229
Twin Falls West

STATE OF Idaho)
COUNTY OF Twin Falls)

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Thomas J. Courtney, City Manager for the City of Twin Falls, ID, known to me to be the same person whose name is subscribed to the foregoing Lease Addendum appeared before me this day in person and severally acknowledged that he signed the said Lease Addendum as his free and voluntary act on behalf of the City of Twin Falls, ID, for the uses and purposes therein stated.

Given under my hand and seal this 15th day of December, 2000.

Joanne Hall
Notary Public

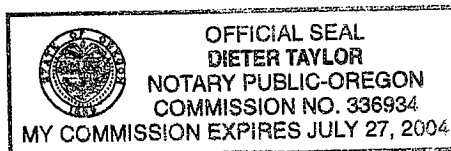


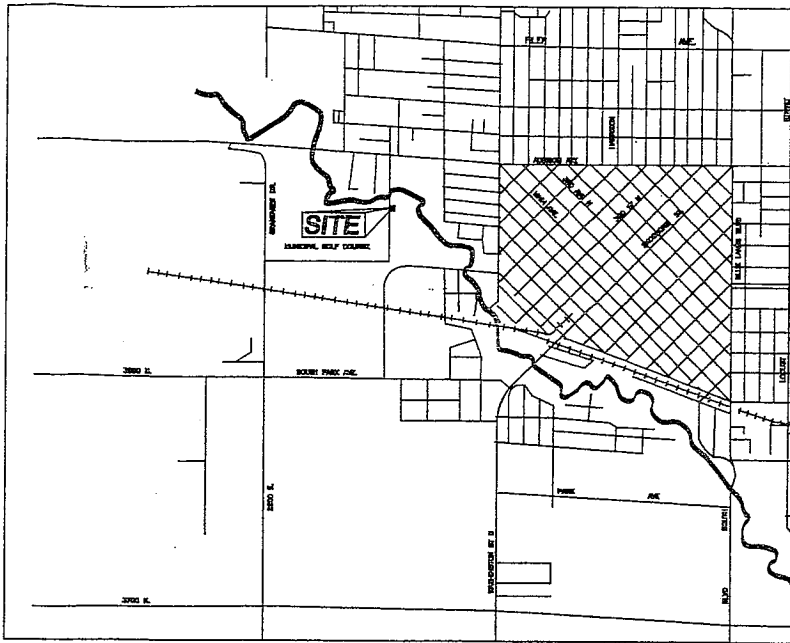
STATE OF Oregon)
COUNTY OF Deschutes)

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Michael Brink, Chief Technical Officer for Edge Wireless, LLC, known to me to be the same person whose name is subscribed to the foregoing Lease Addendum, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of Edge Wireless, LLC, for the uses and purposes therein stated.

Given under my hand and seal this 26 day of December, 2000.

[Signature]
Notary Public





Vicinity Map

N.T.S.

Legal Description Access Easement

A vehicular access easement located in a portion of Lot 1, "City Industrial Subdivision", recorded as instrument No. 1994002940, Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the Northwest corner of said Lot 1. Thence South 00°41'12" East, 90.69 feet along the West boundary of said Lot 1 to THE REAL POINT OF BEGINNING.

Thence South 00°41'12" East, 1014.67 feet along the West boundary of said Lot 1.

Thence South 87°05'16" East, 21.00 feet along the boundary of said Lot 1.

Thence South 01°12'07" East, 29.90 feet along the boundary of said Lot 1.

Thence South 87°05'16" East, 265.24 feet along the extended boundary of the platted utility easement.

Thence along a curve right on the boundary of said Lot 1.

Δ - 22°40'33"
R - 388.10'
A - 153.80'
C - 152.80'
LCB - North 81°34'27" East

Thence North 87°05'16" West, 393.11 feet along the boundary of the platted utility easement.

Thence North 48°43'00" West, 40.10 feet along the boundary of the platted utility easement.

Thence North 00°41'12" West, 970.50 feet along the boundary of the platted utility easement.

Thence North 89°18'48" East, 20.00 feet.

Thence North 00°41'12" West, 20.00 feet.

Thence South 89°18'48" West, 35.00 feet to THE REAL POINT OF BEGINNING.

Legal Description Lease Parcel

A portion of Lot 1, "City Industrial Subdivision", recorded as instrument No. 1994 002940, Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the Northwest corner of said Lot 1. Thence South 00°41'12" East, 90.69 feet along the West boundary of said Lot 1. Thence North 89°18'48" East, 15.00 feet to THE REAL POINT OF BEGINNING.

Thence North 00°41'12" West, 50.00 feet,

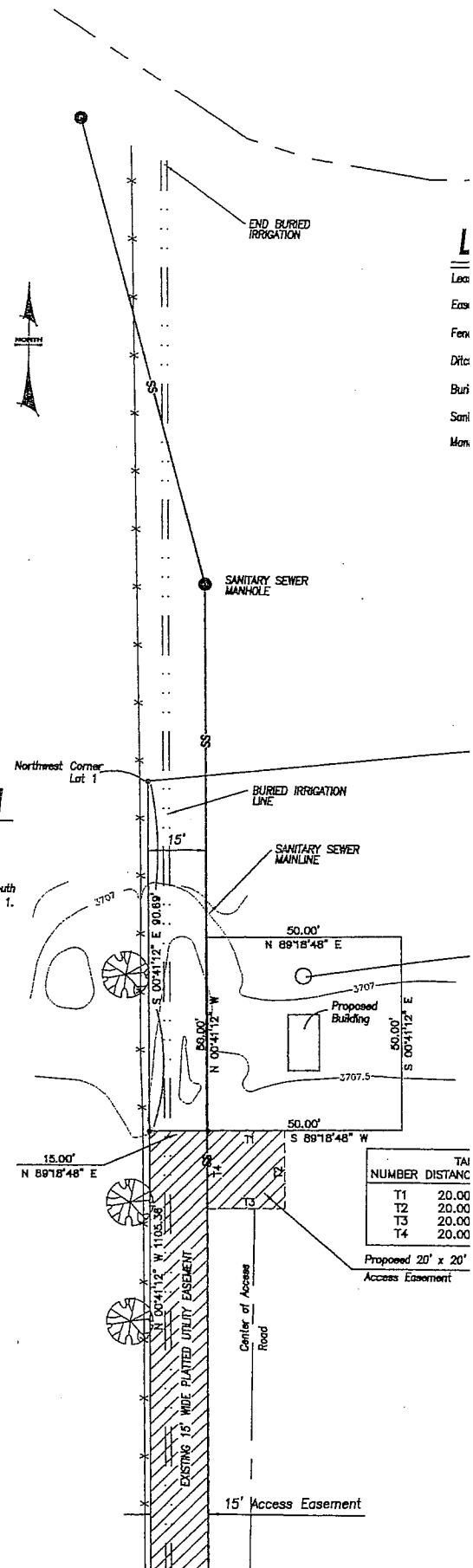
Thence North 89°18'48" East, 50.00 feet,

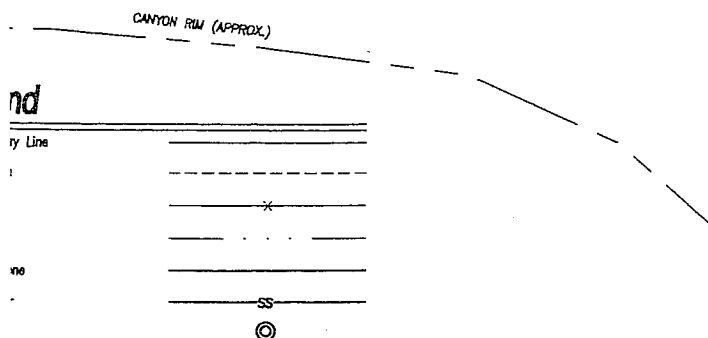
Thence South 00°41'12" East, 50.00 feet,

Thence South 89°18'48" West, 50.00 feet to THE REAL POINT OF BEGINNING.

Containing Approximately 2500 Sq. Ft.

CITY OF TWIN FALLS
MUNICIPAL GOLF COURSE



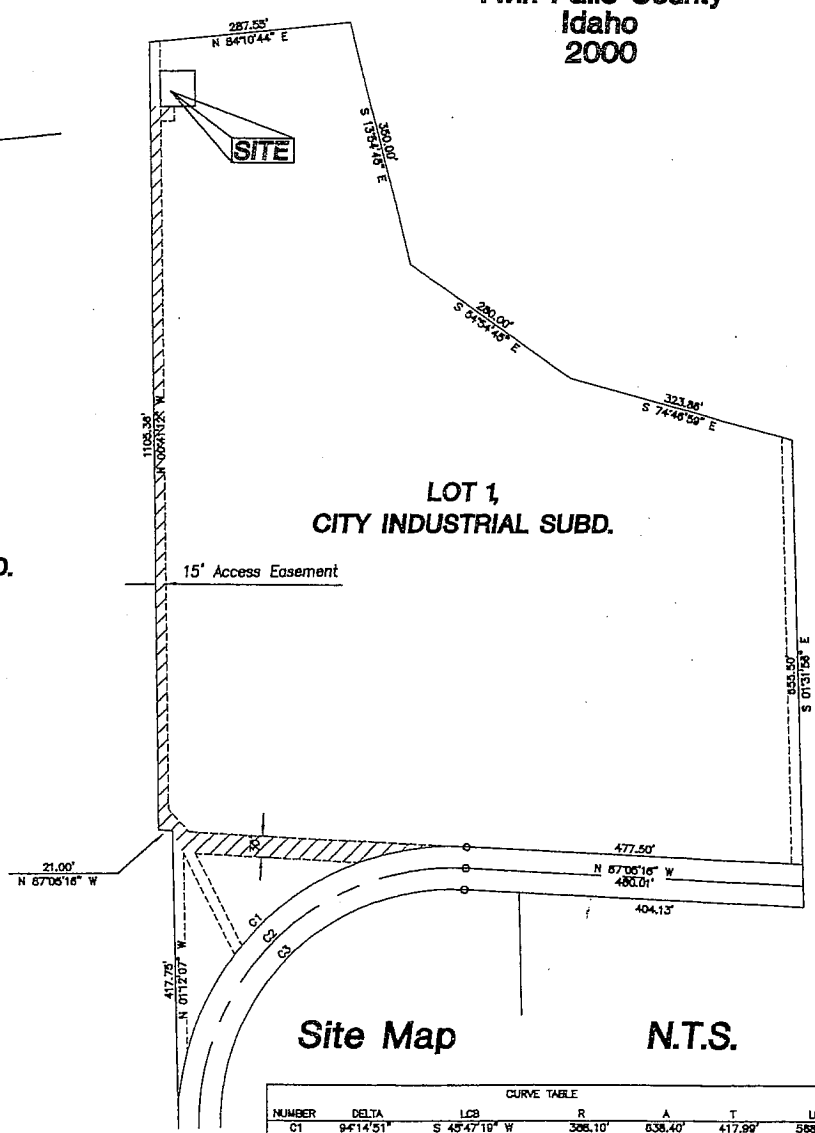


Located In
 Lot 1, City Industrial Subd.
 In
 SW⁴NE⁴, Section 17
 Township 10 South
 Range 17 East
 Boise Meridian
 Twin Falls County
 Idaho
 2000

of Tower Site
 83 (1992 Adjustment)
 - N 42°33'34.786"
 W 114°29'22.034"
 388
 1 - 3707.6

LOT 1,
 CITY INDUSTRIAL SUBD.

TABLE	BEARING
N	89°18'48" E
S	00°41'12" E
S	89°18'48" W
N	00°41'12" W



Site Map

N.T.S.

CURVE TABLE						
NUMBER	DELTA	LCS	R	A	T	LC
C1	94°14'51"	S 45°47'19" W	306.10'	638.40'	417.99'	568.62'
C2	94°14'51"	S 45°47'19" W	306.10'	589.00'	385.86'	524.85'
C3	94°14'51"	S 45°47'19" W	326.10'	539.70'	353.37'	480.88'

EHM Engineers Inc.
 ENGINEERS/SURVEYORS/PLANNERS
 621 N. COLLEGE RD. SUITE 100
 TWIN FALLS, IDAHO 83301
 PH. 208.734.4888 FAX 208.734.8049
 E-MAIL: ehminc.com

Topographic Survey for
Newcom Wireless
Twin Falls West - Site No. ID - 229

APPROVED: _____
 DESIGN: _____
 DRAWN: DJS
 DATE: 22 AUG 2000
 SCALE: SHOWN
 DWG. NO.: 36400ST1

TOWER SPACE LEASE - FIRE STATION #3

This Lease is made and entered into the 22nd day of September 2000, by and between the City of Twin Falls, Idaho, 321 Second Avenue East, Twin Falls, Idaho, 83303-1907, hereinafter referred to as "Landlord", and NewCom Wireless, LLC, Attention: Eric Anderson, 600 SW Columbia, Suite 3210, Bend, Oregon 97702 ("Tenant").

WHEREAS, Landlord owns and maintains a communications tower (the "Tower") located upon a parcel of land (the "Premises") located at 911 Washington Street South, Twin Falls, Idaho; (See Exhibit A attached hereto) and

WHEREAS, Tenant desires to occupy, and Landlord is willing to provide, attachment locations upon the Tower for Tenant's transmission and receipt of radio-telephone and other electrical signals.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. Demise of Premises. Landlord hereby lets and demises unto Tenant, and Tenant hereby receives and accepts from Landlord, the following described Premises (the "Premises"):

- (a) Attachment locations upon the Tower for the placement and affixing of up to three (3), seventy-two inches (72") high, twelve inches (12") wide and three inches (3") deep panel antennas, at ninety feet (90') above ground level (AGL), two (2) two foot (2') microwave dishes at a height above the ground clutter, all devices shall be oriented in such directions as shall be in accordance with Tenant's needs. Additionally, Tenant shall be permitted to add equipment as necessary subject to existing attached devices and the limitations of the Tower.
- (b) Tenant shall, at Tenant's sole expense, provided and install one (90') monopole (antenna support structure) at the communication site. The antenna support structure shall be engineered for three tenants; NewCom Wireless, LLC, the City of Twin Falls, and one additional tenant. The antenna support structure shall be the property of the City of Twin Falls. Landlord stipulates that the tower capacity will be determined by the loading requirements of the tenants.
- (c) Tenant will, at Tenant's sole expense, install the Landlord's antenna equipment on the antenna support structure upon completion of construction. Landlord will be responsible for installation of any additional equipment. Landlord will be responsible for the maintenance of all their equipment.
- (d) Tenant will also be allowed to place an 8' x 14.5' Equipment Shelter near the selected antenna support structure on Tenant's Leasehold Parcel, as described in Exhibit "B". The Tenant shall connect to and receive power from Landlord's power source on the same terms as outlined below in Paragraph 8.
- (e) Landlord will be provided rack space in the Tenant's Equipment Shelter for two (2) network bridges, or the equivalent of one-half of a 19 inch rack.

ID - _____
TF - Fire Station # 3

2. Privileges. Landlord hereby confers upon Tenant the following described privileges appurtenant to the Premises, which shall be irrevocable for the duration hereof:

- (a) To place and affix lines for signal carriage between Tenant's Building and Tenant's antennas upon the Tower, including both the privilege and the obligation to install a suitable line bridge structure;
- (b) To extend and connect lines for utility services between Tenant's Building and utility company service connection points located at the Premises;
- (c) To travel between the Premises and the public road over routes which Landlord is entitled to use.
- (d) To traverse common areas of the Premises reasonably necessary to accomplish Tenant's purposes and contemplated herein.

3. Use of Premises. Tenant shall be entitled to use the Premises to install, operate, and maintain thereon antennas and related equipment for the transmission and receipt of radio-telephone and other electrical signals, but for no other use or purpose. Tenant's use of the Premises shall at all times comply with and conform to all laws and regulations applicable thereto, and shall be subject to Landlord's review and approval regarding Tenant's placement of antennas and lines upon the Tower, and all other matters which Landlord deems, in Landlord's reasonable opinion, to affect Landlord's own operations or interests. The cost of establishing Tenant's base station at the Premises, including the cost of improving the delivery of utility services to the Premises or making any necessary or desirable alterations to the Tower to accommodate Tenant's antennas, lines, and operations, shall borne exclusively by Tenant. Landlord agrees to exercise the utmost restraint in rescinding its approval once given for any portion of Tenant's installation, and to refrain from requiring Tenant to undertake later modifications to Tenant's base station without sharing the cost thereof.

4. Initial Term. The initial term of this Lease shall commence on October 1, 2000, and shall expire seven (7) years thereafter on September 30, 2007.

5. Renewal. This Lease shall automatically renew and extend for up to four (4) additional terms of five (5) years each, as the same shall coincide with, and not exceed, the duration of Landlord's right to keep the Tower at the Premises, upon a continuation of all the same provisions hereof, subject to Tenant's unilateral right of termination as set forth next below.

6. Option to Terminate. Tenant shall have the right to terminate this Lease or any extension thereof at any time upon giving Landlord sixty (60) days written notice by certified mail to Landlord at the address shown above.

7. Collocation Rent. Tenant shall pay Base Rent to Landlord in the amount of ONE DOLLAR (\$1.00) per year, which shall be due when construction begins and then regularly thereafter on the first day of each year, Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or a maximum two payees) who shall receive rent on behalf of the Landlord. Rent will be prorated for any partial year.

ID - _____
TF - Fire Station # 3

In the eighth (8) year of this agreement the base rent shall be increased to THREE THOUSAND DOLLARS (\$3,000.00) per year.

On every one (1) year anniversary of the commencement date of the term of this lease, rent shall be increased by three percent (3%); and throughout the duration hereof as renewed and extended, the rent shall be increased three percent (3%) per year.

8. Utilities. Tenant shall solely and independently be responsible for the separate metering, billing, and payment of all utility services to be consumed by Tenant's operation; provided, however, that if Landlord and Tenant shall mutually agree for reasons of convenience and practicality Tenant shall be permitted to connect to Landlord's existing electric utility service and to draw power therefrom for Tenant's base station, subject to a duty to reimburse Landlord for Tenant's share of the cost of power. Landlord shall be entitled to allocate its cost of delivering electricity among all users thereof on any basis reasonably estimated to reflect their actual power consumption, and to demand and receive from Tenant such allocated share attributable to Tenant by periodically presenting Tenant with an invoice therefore, or by collecting from Tenant a regular monthly contribution toward the cost of power which Landlord may elect to reconcile to an aggregate share settled by periodic invoice.

9. Taxes. Tenant shall be responsible for taxes levied against Tenant's antennas and lines, and all of Tenant's base station equipment. Landlord shall be responsible for taxes levied against the Tower, Landlord's own Building, auxiliary power generator, if any, and Landlord's base station equipment.

10. Access and Security. Tenant shall have unrestricted access to the Premises and to Landlord's Tower at all hours of the day and night, without any requirement of supervision by the Landlord. Tenant's access to the Tower shall be limited to work performed on Tenant's behalf by a qualified tower services contractor hired at Tenant's sole expense. Landlord and Tenant mutually covenant to admit only their authorized personnel to the Premises, and only in furtherance of the specific business purpose of telecommunications. Doors and gates shall be kept closed and locked except when required to be open for immediate ingress or egress.

11. Non-Interference. Tenant shall not use the Premises in any way which interferes with the use of the Premises by Landlord, the provision of services to Landlord's customers, or the use of the Premises by other tenants or licensees of Landlord. Similarly, Landlord shall not use, nor shall Landlord permit its tenants, licensees, employees, invitees or agents to use any portion of the Premises in any way which interferes with the operations of Tenant. Such interference shall be deemed a material breach by the interfering party who shall, upon written notice from the other party, be responsible for terminating such interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring an action to enjoin such interference and/or to terminate this Lease.

12. Aviation Hazard Marking. Landlord agrees to solely be responsible for full compliance, at all times, with the Tower marking, lighting, maintenance, inspection, recording, notification, and registration requirements of the Federal Communications commission and the Federal Aviation Administration, and to share proof of such compliance with Tenant as Tenant may reasonably require.

13. Mutual Indemnification. Tenant shall indemnify and hold Landlord harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Tenant, or resulting from Tenant's use of the Premises or its presence at the Premises. Landlord shall indemnify and hold Tenant harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Landlord. Neither party shall be required to hold the other party harmless against the unwelcome consequences of such other party's own willful or negligent conduct.

14. Insurance. Tenant shall continuously maintain in full force and effect a policy of commercial general liability insurance covering Tenant's work and operations at the Premises.

15. Opportunity to Cure Defaults. If Landlord or Tenant fails to comply with any provision of this Lease which the other party claims to be a default hereof, the party making such claim shall serve written notice of such default upon the defaulting party, whereupon a grace period of 30 days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional 30 days, provided the defaulting party makes a good faith showing that efforts toward a cure are continuing. This Section shall not apply in cases of interference, which instead shall require immediate and effective curative.

16. Tenant's Separate Property. Landlord hereby agrees that Tenant's base station equipment, including Tenant's antennas and lines, are and shall remain Tenant's separate personal property, and that said property shall never be considered fixtures to the real estate. Tenant shall at all times be authorized to remove Tenant's property from the Premises, free from any lien of Landlord. Such removal shall be accomplished without damage to the property of Landlord or third parties, and in accordance with Landlord's management control of the Premises.

17. Assignment of Tenant's Interest. Tenant's interest under this Lease may be freely assigned in connection with the transfer of Tenant's FCC authorization to operate a communications facility at the Premises. Any other assignment of this Lease by Tenant shall require Landlord's prior written consent, which consent Landlord agrees, shall not unreasonably be withheld. Furthermore, no assignment shall be effected pursuant to this Section unless Tenant shall notify Landlord in a writing setting forth the name, address and telephone number of such assignee.

18. Multiple Users. Tenant shall not sublet the Premises or any portion thereof, or permit the Premises to become occupied by multiple users purporting to concurrently hold Tenant's rights and privileges hereunder, without first obtaining Landlord's consent, which consent shall not be unreasonably withheld.

19. Quiet Enjoyment. Landlord covenants that Tenant shall have quiet and peaceable use and enjoyment of the Premises throughout the duration of this Lease, and that Landlord will not intentionally disturb Tenant's possession thereof as long as Tenant is not in default hereunder.

ID - _____
TF - Fire Station # 3

20. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's property from the Premises and surrender the Tower Premises to Landlord in good condition, reasonable wear and tear excepted.

21. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant other instruments respecting the Premises, as Tenant or Tenant's lender may reasonably request from time to time, provided that any such instruments are in furtherance of, and do not substantially expand, Tenant's rights and privileges herein established. Such instruments may include a memorandum of lease which may be recorded in the country land records. Landlord also agrees to reasonably cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises, as long as Landlord is not expected to bear the financial burden of any such efforts.

22. Attorney's Fees. In any action on this Lease at law or in equity, the prevailing party shall be entitled to recover the reasonable costs of its successful case, including reasonable attorney's fees and costs of appeal.

23. Merger and Modifications. This Lease contains the entire agreement of the parties, and may not be modified except in writing signed by the party against whom such modification is sought to be enforced.

24. Notices. All notices required or desired to be given under this Lease shall be in writing and dispatched by certified mail or commercial courier to the party to be served at its address as follows:

If to Landlord:

City of Twin Falls
C/o Thomas J. Courtney, City Manager
P.O. Box 1907
Twin Falls, ID 83303-1907

If to Tenant:

NEWCOM WIRELESS, LLC
600 S.W. Columbia, Suite-3210-7200
Bend, Or 97702



or at such other address as such party may previously have advised the other party by notice similarly given.

24. Binding Effect. All of the provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest.

IN WITNESS WHEREOF, the parties hereto bind themselves to this Lease as of the day and year first above written.

ID - _____
TF - Fire Station # 3

City of Twin Falls, Idaho

NewCom Wireless, LLC

By: Thomas J. Courtney
Thomas J. Courtney
City Manager
City of Twin Falls, Idaho

By: Eric Anderson
Eric Anderson
Director of Engineering
NewCom Wireless, LLC

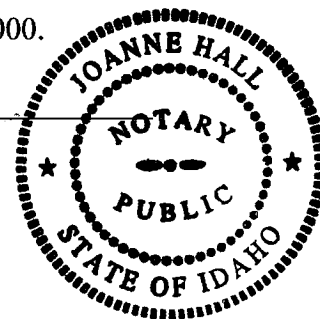
Social Security # (or FEIN)

STATE OF Idaho
COUNTY OF Twin Falls

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Thomas J. Courtney, City manager for the City of Twin Falls, ID, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and severally acknowledged that he signed the said Lease as his free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this 24th day of Sept, 2000.

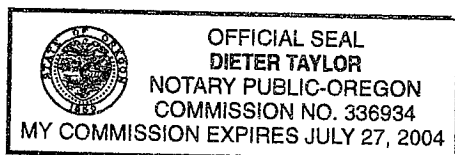
Joanne Hall
Notary Public



STATE OF Oregon
COUNTY OF Deschutes

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Eric Anderson, Director of Engineering for NewCom Wireless, LLC, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of NewCom Wireless, LLC, for the uses and purposes therein stated.

Given under my hand and seal this 13th day of October, 2000.



[Signature]
Notary Public

**Access Easement
New Com Wireless
Twin Falls Fire Station No. 3
Site No. ID-225**

A 15.00 foot wide vehicular access easement located in a portion of Lot 12, Block 5, "HUERTA VISTA SUBDIVISION", recorded in Book 11 of Plats, Page 51, Twin Falls County, Idaho; being more particularly described by centerline as follows:

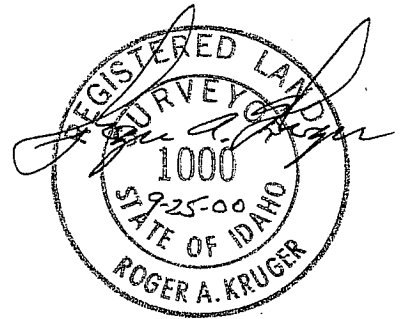
Commencing at the Northeast corner of said Lot 12. Thence North $88^{\circ}49'47''$ West 87.91 feet along the North boundary of said Lot 12. Thence South $01^{\circ}10'13''$ West 35.68 feet. Thence South $53^{\circ}26'52''$ West, 7.50 feet to THE REAL POINT OF BEGINNING of the centerline of said 15.00 foot wide easement.

Thence South $36^{\circ}33'08''$ East, 41.00 feet,

Thence South $76^{\circ}06'57''$ East, 13.58 feet,

Thence North $51^{\circ}51'36''$ East, 14.98 feet,

Thence North $06^{\circ}17'21''$ East, 66.46 feet to the ending point of the centerline of said easement.



**Lease Area
New Com Wireless
Twin Falls Fire Station No. 3
Site No. ID-225**

A parcel of land located in a portion of Lots 12 and 13, Block 5, "HUERTA VISTA SUBDIVISION", recorded in Book 11 of Plats, Page 51, Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the Northeast corner of said Lot 12. Thence North $88^{\circ}49'47''$ West 87.91 feet along the North boundary of said Lot 12. Thence South $01^{\circ}10'13''$ West 35.68 feet to THE REAL POINT OF BEGINNING.

Thence South $53^{\circ}26'52''$ West, 15.00 feet,

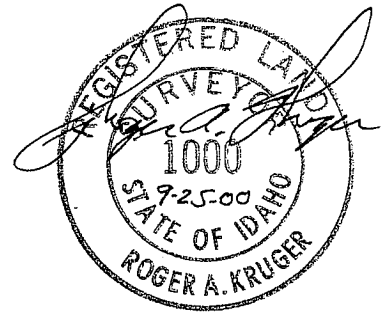
Thence North $36^{\circ}33'08''$ West, 30.00 feet,

Thence North $53^{\circ}26'52''$ East, 10.01 feet,

Thence South $88^{\circ}49'47''$ East, 6.31 feet,

Thence South $36^{\circ}33'08''$ East, 26.14 feet to THE REAL POINT OF BEGINNING.

Containing approximately 440 Sq. Ft.



**Utility Easement
New Com Wireless
Twin Falls Fire Station No. 3
Site No. ID-225**

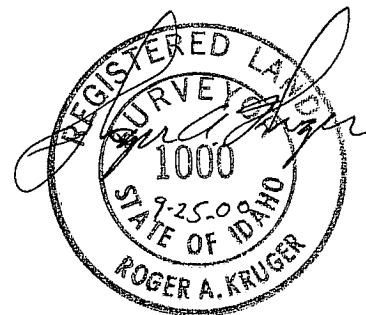
A 12.00 foot wide utility easement located in a portion of Lot 13, Block 5, "HUERTA VISTA SUBDIVISION", recorded in Book 11 of Plats, Page 51, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Northeast corner of said Lot 3. Thence North $88^{\circ}49'47''$ West 46.00 feet along the North boundary of said Lot 3 to THE REAL POINT OF BEGINNING of the centerline of said 12.00 foot wide easement.

Thence South $00^{\circ}29'10''$ East, 24.87 feet,

Thence North $53^{\circ}26'52''$ East, 29.76 feet,

Thence South $36^{\circ}33'08''$ East, 13.66 feet to the ending point of the centerline of said easement.



Lease Parcel Legal Description

A portion of land located in a portion of Lots 12 and 13, Block 4, TOWN OF KENIA, SEQUOIA County, recorded in Book 11 of Plats, Page 51, Teton Park County, Idaho; being more particularly described as follows:

Commencing at the Northwest corner of said Lot 12, Thence North 09°49'47" West 82.91' feet, along the North boundary of said Lot 12, Thence South 01°10'13" West 136.69' feet to THE BEUL POINT OF BEGINNING.

Access Easement Legal Description

A 1500 foot wide hydrologic cone assumed located is a spring of L&L 12, about S. TAHERIA TOWN SUBDIVISION, mounted in State 111 of Idaho, Eagle 50, Teton County, Idaho, being particularly described by the following:

Corner of the Northwest corner of said L&L 12, Thoma Town 36°46'57" East, 1120 feet; Thoma Town 36°53'57" East, 1120 feet; Thoma South 77°03'04" East, 1330 feet; Thoma West 51°01'30" East, 1430 feet; Thoma North 51°01'30" East, 1430 feet to the ending point of the hydrologic cone and southeast.

The NE1/4 CORNER of the northeast of said 1500 foot wide cone.

Powerline Easement Legal Description

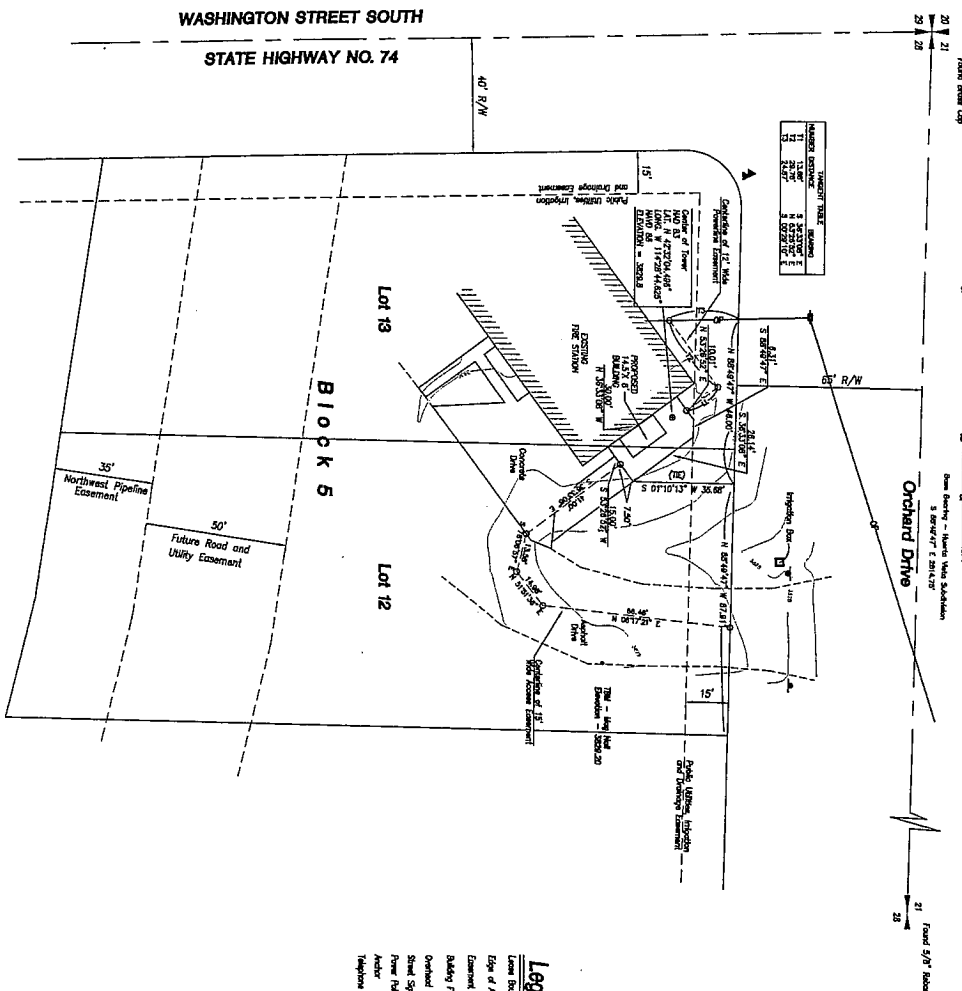
A 1221 foot by 4891 meter parcel located in a portion of Lot 1, Block 5, "KATINA NINE SUBDIVISION," recorded in Book 31 of Rock, Page 81, and File No. 1221, being more particularly described by covenants as follows:

Theresa Smith 02793177 Encl. 5437 1nd.

Connecting to the Northeast corner of said Lot 1, Theresa Smith 66749377 Encl. 5438 1nd. to the North boundary of said Lot 1 to the Rock Power & Hydroelectric of the southeast of said 1220 foot wide easement.

Theresa Smith 52787527 Encl. 5278 1nd.

Theresa Smith 56310707 Encl. 1246 1nd to the ending point of the easement of said easement.



Located in
Lots 12 & 13, Block 5
Huerta Vista Subdivision
NW⁴ NW⁴ Section 28
Township 10 South
Range 77 East
Boise Meridian
Twin Falls County
Idaho
2000

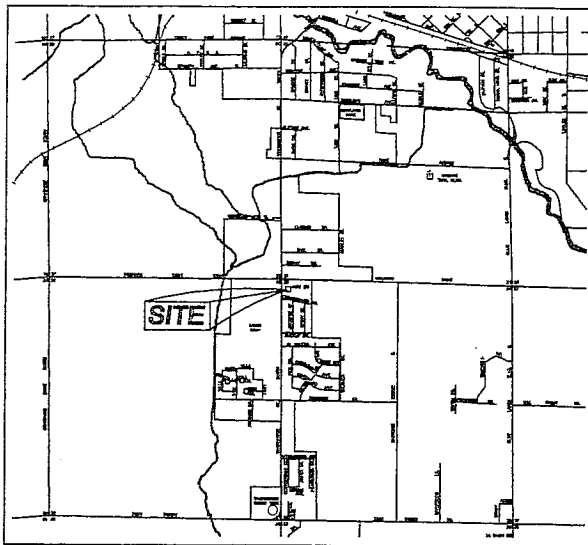
Legend

Lower Boundary Line	_____
Edge of deposit	-----
Exposure Line	
Bulldozer Footprint	
Overhead Powerline	———o———
Stand Sign	—x—
Power Pole	—o—
Anchor	—x—
Telephone Pole	—A—

Topographic Survey for
Newcom Wireless
T.F. Fire Sta. 3 Site No. ID - 225

EHM Engineers Inc.
ENGINEERS/SURVEYORS/PLANNERS
621 N. COLLEGE RD. SUITE 100
TWIN FALLS, IDAHO 83301
PH. 208.734.4888 FAX 208.734.6049
E-MAIL: ehm@ehminc.com

ATTACHED
DATE
DATE 21 AUG 00
NAME SHOWN
REF NO 36500571



VICINITY MAP

N.T.S.

Lease Parcel Legal Description

A parcel of land located in a portion of Lots 12 and 13, Block 5, "HUERTA VISTA SUBDIVISION", recorded in Book 11 of Plats, Page 51, Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the Northeast corner of said Lot 12. Thence North 88°49'47" West 87.91 feet along the North boundary of said Lot 12. Thence South 01°10'13" West 35.88 feet to THE REAL POINT OF BEGINNING.

Thence South 53°26'52" West, 15.00 feet,

Thence North 36°33'08" West, 30.00 feet,

Thence North 53°26'52" East, 10.01 feet,

Thence South 88°49'47" East, 6.31 feet,

Thence South 36°33'08" East, 26.14 feet to THE REAL POINT OF BEGINNING.

Containing approximately 440 Sq. Ft.

Access Easement Legal Description

A 15.00 foot wide vehicular access easement located in a portion of Lot 12, Block 5, "HUERTA VISTA SUBDIVISION", recorded in Book 11 of Plats, Page 51, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Northeast corner of said Lot 12. Thence North 88°49'47" West 87.91 feet along the North boundary of said Lot 12. Thence South 01°10'13" West 35.88 feet. Thence South 53°26'52" West, 7.50 feet to THE REAL POINT OF BEGINNING of the centerline of said 15.00 foot wide easement.

Thence South 36°33'08" East, 41.00 feet,

Thence South 76°06'57" East, 13.58 feet,

Thence North 51°51'36" East, 14.98 feet,

Thence North 06°17'21" East, 86.46 feet to the ending point of the centerline of said easement.

Powerline Easement Legal Description

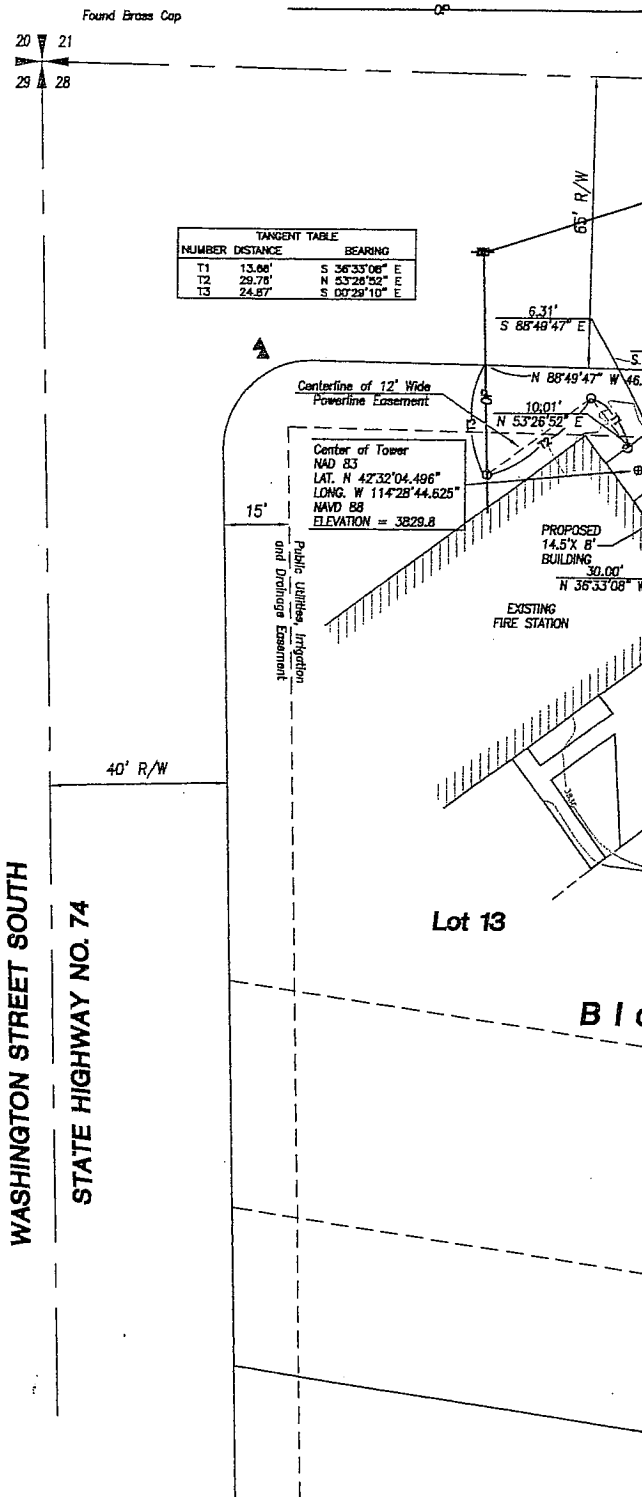
A 12.00 foot wide utility easement located in a portion of Lot 13, Block 5, "HUERTA VISTA SUBDIVISION", recorded in Book 11 of Plats, Page 51, Twin Falls County, Idaho; being more particularly described by centerline as follows:

Commencing at the Northeast corner of said Lot 3. Thence North 88°49'47" West 46.00 feet along the North boundary of said Lot 3 to THE REAL POINT OF BEGINNING of the centerline of said 12.00 foot wide easement.

Thence South 00°29'10" East, 24.87 feet,

Thence North 53°26'52" East, 29.76 feet,

Thence South 36°33'08" East, 13.66 feet to the ending point of the centerline of said easement.



L-518

Base Bearing - Huerta Vista Subdivision
S 88°49'47" E 2814.75'

Orchard Drive

Found 5/8" Rebar
21
28

NORTH

0 10 20 40
Scale In Feet

Located In
Lots 12 & 13, Block 5
Huerta Vista Subdivision
In
NW 4 NW 4, Section 28
Township 10 South
Range 17 East
Boise Meridian
Twin Falls County
Idaho
2000

Legend

Lease Boundary Line	=====
Edge of Asphalt	-----
Easement Line	- - - - -
Building Footprint	
Overhead Powerline	OP
Street Sign	+
Power Pole	+
Anchor	+
Telephone Riser	▲

Lot 12

k 5

50'
Future Road and
Utility Easement

35'
Northwest Pipeline
Easement

Topographic Survey for

Newcom Wireless

T.F. Fire Sta. 3 Site No. ID - 225

EHM Engineers Inc.
ENGINEERS/SURVEYORS/PLANNERS
621 N. COLLEGE RD. SUITE 100
TWIN FALLS, IDAHO 83301
PH. 208.734.4888 FAX 208.734.6049
E-MAIL: ehinc@ehinc.com

REVISED

APPROVED

DRAWN

DJS

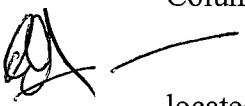
DATE 21 AUG 00

SCALE SHOWN

DRAWING NO. 36500ST1

TOWER SPACE LEASE - POLICE STATION

This Lease is made and entered into the 22nd day of September 2000, by and between the City of Twin Falls, Idaho, 321 Second Avenue East, Twin Falls, Idaho, 83303-1907, hereinafter referred to as "Landlord", and NewCom Wireless, LLC, Attention: Eric Anderson, 600 SW Columbia, Suite 3210, Bend, Oregon 97702 ("Tenant").

 WHEREAS, Landlord owns and maintains a communications tower (the "Tower") located upon a parcel of land (the "Premises") located at 356 3rd Avenue East, Twin Falls, Idaho; (See Exhibit A attached hereto) and

WHEREAS, Tenant desires to occupy, and Landlord is willing to provide, attachment locations upon the Tower for Tenant's transmission and receipt of radio-telephone and other electrical signals.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. Demise of Premises. Landlord hereby lets and demises unto Tenant, and Tenant hereby receives and accepts from Landlord, the following described Premises (the "Premises"):

(a) Attachment locations upon the Tower for the placement and affixing of up to three (3), seventy-two inches (72") high, twelve inches (12") wide and three inches (3") deep panel antennas, at one hundred and twenty feet (120') above ground level (AGL), two (2) two foot (2') microwave dishes at a height above the ground clutter, all devices shall be oriented in such directions as shall be in accordance with Tenant's needs. Additionally, Tenant shall be permitted to add equipment as necessary subject to existing attached devices and the limitations of the Tower.

(b) Tenant shall, at Tenant's sole expense, provided and install one (135') monopole (antenna support structure) at the communication site. The antenna support structure shall be engineered for three tenants; NewCom Wireless, LLC, the City of Twin Falls, and one additional tenant. The antenna support structure shall be the property of the City of Twin Falls. Landlord stipulates that the tower capacity will be determined by the loading requirements of the tenants.

(c) Tenant will, at Tenant's sole expense, install the Landlord's antenna equipment on the antenna support structure upon completion of construction. Landlord will be responsible for installation of any additional equipment. Landlord will be responsible for the maintenance of all their equipment.

(d) Tenant will also be allowed to construct an 8' x 16' Equipment Shelter in the Police Station building in the area where the bullet tank now exists, as described in Exhibit "B". The Tenant shall connect to and receive power from Landlord's power source on the same terms as outlined below in Paragraph 8.

(e) Landlord will be provided rack space in the Tenant's Equipment Shelter for two (2) network bridges, or the equivalent of one-half of a 19 inch rack.

2. Privileges. Landlord hereby confers upon Tenant the following described privileges appurtenant to the Premises, which shall be irrevocable for the duration hereof:

(a) To place and affix lines for signal carriage between Tenant's Building and Tenant's antennas upon the Tower, including both the privilege and the obligation to install a suitable line bridge structure;

(b) To extend and connect lines for utility services between Tenant's Building and utility company service connection points located at the Premises;

(c) To travel between the Premises and the public road over routes which Landlord is entitled to use.

(d) To traverse common areas of the Premises reasonably necessary to accomplish Tenant's purposes and contemplated herein.

3. Use of Premises. Tenant shall be entitled to use the Premises to install, operate, and maintain thereon antennas and related equipment for the transmission and receipt of radio-telephone and other electrical signals, but for no other use or purpose. Tenant's use of the Premises shall at all times comply with and conform to all laws and regulations applicable thereto, and shall be subject to Landlord's review and approval regarding Tenant's placement of antennas and lines upon the Tower, and all other matters which Landlord deems, in Landlord's reasonable opinion, to affect Landlord's own operations or interests. The cost of establishing Tenant's base station at the Premises, including the cost of improving the delivery of utility services to the Premises or making any necessary or desirable alterations to the Tower to accommodate Tenant's antennas, lines, and operations, shall borne exclusively by Tenant. Landlord agrees to exercise the utmost restraint in rescinding its approval once given for any portion of Tenant's installation, and to refrain from requiring Tenant to undertake later modifications to Tenant's base station without sharing the cost thereof.

4. Initial Term. The initial term of this Lease shall commence on October 1, 2000, and shall expire twenty (20) years thereafter on September 30, 2020.

5. Renewal. This Lease shall automatically renew and extend for up to two (2) additional terms of five (5) years each, as the same shall coincide with, and not exceed, the duration of Landlord's right to keep the Tower at the Premises, upon a continuation of all the same provisions hereof, subject to Tenant's unilateral right of termination as set forth next below.

6. Option to Terminate. Tenant shall have the right to terminate this Lease or any extension thereof at any time upon giving Landlord sixty (60) days written notice by certified mail to Landlord at the address shown above.

7. Collocation Rent. Tenant shall pay Base Rent to Landlord in the amount of ONE DOLLAR (\$1.00) per year, which shall be due when construction begins and then regularly thereafter on the first day of each year, Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or a maximum two payees) who shall receive rent on behalf of the Landlord. Rent will be prorated for any partial year.

ID - _____
TF - Police Station

In the twenty-first (21) year of this agreement the base rent shall be increased to THREE THOUSAND DOLLARS (\$3,000.00) per year.

On every one (1) year anniversary of the commencement date of the term of this lease, rent shall be increased by three percent (3%); and throughout the duration hereof as renewed and extended, the rent shall be increased three percent (3%) per year.

8. Utilities. Tenant shall solely and independently be responsible for the separate metering, billing, and payment of all utility services to be consumed by Tenant's operation; provided, however, that if Landlord and Tenant shall mutually agree for reasons of convenience and practicality Tenant shall be permitted to connect to Landlord's existing electric utility service and to draw power therefrom for Tenant's base station, subject to a duty to reimburse Landlord for Tenant's share of the cost of power. Landlord shall be entitled to allocate its cost of delivering electricity among all users thereof on any basis reasonably estimated to reflect their actual power consumption, and to demand and receive from Tenant such allocated share attributable to Tenant by periodically presenting Tenant with an invoice therefore, or by collecting from Tenant a regular monthly contribution toward the cost of power which Landlord may elect to reconcile to an aggregate share settled by periodic invoice.

9. Taxes. Tenant shall be responsible for taxes levied against Tenant's antennas and lines, and all of Tenant's base station equipment. Landlord shall be responsible for taxes levied against the Tower, Landlord's own Building, auxiliary power generator, if any, and Landlord's base station equipment.

10. Access and Security. Tenant shall have unrestricted access to the Premises and to Landlord's Tower at all hours of the day and night, without any requirement of supervision by the Landlord. Tenant's access to the Tower shall be limited to work performed on Tenant's behalf by a qualified tower services contractor hired at Tenant's sole expense. Landlord and Tenant mutually covenant to admit only their authorized personnel to the Premises, and only in furtherance of the specific business purpose of telecommunications. Doors and gates shall be kept closed and locked except when required to be open for immediate ingress or egress.

11. Non-Interference. Tenant shall not use the Premises in any way which interferes with the use of the Premises by Landlord, the provision of services to Landlord's customers, or the use of the Premises by other tenants or licensees of Landlord. Similarly, Landlord shall not use, nor shall Landlord permit its tenants, licensees, employees, invitees or agents to use any portion of the Premises in any way which interferes with the operations of Tenant. Such interference shall be deemed a material breach by the interfering party who shall, upon written notice from the other party, be responsible for terminating such interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring an action to enjoin such interference and/or to terminate this Lease.

12. Aviation Hazard Marking. Landlord agrees to solely be responsible for full compliance, at all times, with the Tower marking, lighting, maintenance, inspection, recording, notification, and registration requirements of the Federal Communications commission and the Federal Aviation Administration, and to share proof of such compliance with Tenant as Tenant may reasonably require.

13. Mutual Indemnification. Tenant shall indemnify and hold Landlord harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Tenant, or resulting from Tenant's use of the Premises or its presence at the Premises. Landlord shall indemnify and hold Tenant harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Landlord. Neither party shall be required to hold the other party harmless against the unwelcome consequences of such other party's own willful or negligent conduct.

14. Insurance. Tenant shall continuously maintain in full force and effect a policy of commercial general liability insurance covering Tenant's work and operations at the Premises.

15. Opportunity to Cure Defaults. If Landlord or Tenant fails to comply with any provision of this Lease which the other party claims to be a default hereof, the party making such claim shall serve written notice of such default upon the defaulting party, whereupon a grace period of 30 days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional 30 days, provided the defaulting party makes a good faith showing that efforts toward a cure are continuing. This Section shall not apply in cases of interference, which instead shall require immediate and effective curative.

16. Tenant's Separate Property. Landlord hereby agrees that Tenant's base station equipment, including Tenant's antennas and lines, are and shall remain Tenant's separate personal property, and that said property shall never be considered fixtures to the real estate. Tenant shall at all times be authorized to remove Tenant's property from the Premises, free from any lien of Landlord. Such removal shall be accomplished without damage to the property of Landlord or third parties, and in accordance with Landlord's management control of the Premises.

17. Assignment of Tenant's Interest. Tenant's interest under this Lease may be freely assigned in connection with the transfer of Tenant's FCC authorization to operate a communications facility at the Premises. Any other assignment of this Lease by Tenant shall require Landlord's prior written consent, which consent Landlord agrees, shall not unreasonably be withheld. Furthermore, no assignment shall be effected pursuant to this Section unless Tenant shall notify Landlord in a writing setting forth the name, address and telephone number of such assignee.

18. Multiple Users. Tenant shall not sublet the Premises or any portion thereof, or permit the Premises to become occupied by multiple users purporting to concurrently hold Tenant's rights and privileges hereunder, without first obtaining Landlord's consent, which consent shall not be unreasonably withheld.

19. Quiet Enjoyment. Landlord covenants that Tenant shall have quiet and peaceable use and enjoyment of the Premises throughout the duration of this Lease, and that Landlord will not intentionally disturb Tenant's possession thereof as long as Tenant is not in default hereunder.

ID - _____
TF - Police Station

20. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's property from the Premises and surrender the Tower Premises to Landlord in good condition, reasonable wear and tear excepted.

21. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant other instruments respecting the Premises, as Tenant or Tenant's lender may reasonably request from time to time, provided that any such instruments are in furtherance of, and do not substantially expand, Tenant's rights and privileges herein established. Such instruments may include a memorandum of lease which may be recorded in the country land records. Landlord also agrees to reasonably cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises, as long as Landlord is not expected to bear the financial burden of any such efforts.

22. Attorney's Fees. In any action on this Lease at law or in equity, the prevailing party shall be entitled to recover the reasonable costs of its successful case, including reasonable attorney's fees and costs of appeal.

23. Merger and Modifications. This Lease contains the entire agreement of the parties, and may not be modified except in writing signed by the party against whom such modification is sought to be enforced.

24. Notices. All notices required or desired to be given under this Lease shall be in writing and dispatched by certified mail or commercial courier to the party to be served at its address as follows:

If to Landlord:

City of Twin Falls
C/o Thomas J. Courtney, City Manager
P.O. Box 1907
Twin Falls, ID 83303-1907

If to Tenant:

NEWCOM WIRELESS, LLC
600 S.W. Columbia, Suite 3210 7200
Bend, Or 97702



or at such other address as such party may previously have advised the other party by notice similarly given.

24. Binding Effect. All of the provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest.

IN WITNESS WHEREOF, the parties hereto bind themselves to this Lease as of the day and year first above written.

ID - _____
TF - Police Station

City of Twin Falls, Idaho

NewCom Wireless, LLC

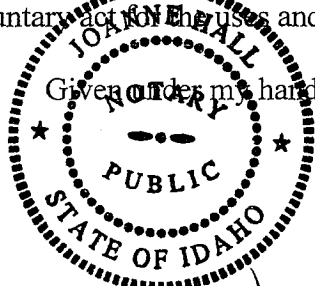
By: Thomas J. Courtney
Thomas J. Courtney
City Manager
City of Twin Falls, Idaho

By: Eric Anderson
Eric Anderson
Director of Engineering
NewCom Wireless, LLC

Social Security # (or FEIN)

STATE OF Idaho
COUNTY OF Twin Falls

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Thomas J. Courtney, City Manager for the City of Twin Falls, ID, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and severally acknowledged that he signed the said Lease as his free and voluntary act for the uses and purposes therein stated.



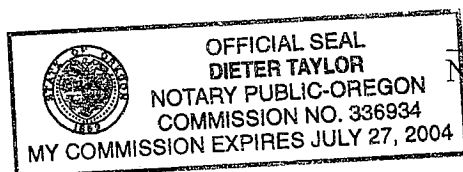
Given under my hand and seal this 27th day of Sept, 2000.

Joanne Hall
Notary Public

STATE OF Oregon
COUNTY OF Deschutes

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Eric Anderson, Director of Engineering for NewCom Wireless, LLC, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of NewCom Wireless, LLC, for the uses and purposes therein stated.

Given under my hand and seal this 13th day of October, 2000.



Dieter Taylor
Notary Public

**Exterior Lease
New Com Wireless
Twin Falls Police Station
Site No. ID-223**

A parcel of land located in Lot 16, Block 74, "Twin Falls Townsite", Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the most Easterly corner of said Lot 16. Thence North $45^{\circ}20'27''$ West 4.69 feet along the right of way on 3rd Avenue East to THE REAL POINT OF BEGINNING.

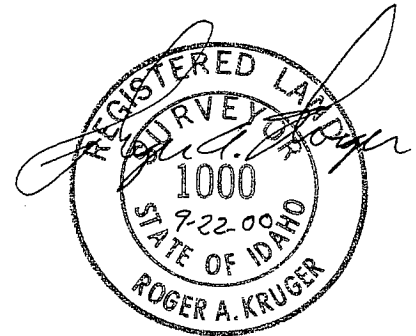
Thence North $45^{\circ}20'27''$ West, 20.00 feet along said right of way,

Thence South $44^{\circ}43'30''$ West, 20.15 feet,

Thence South $45^{\circ}16'30''$ East, 20.00 feet,

Thence North $44^{\circ}43'30''$ East, 20.17 feet to THE REAL POINT OF BEGINNING.

Containing Approximately 403 Sq. Ft.



**Utility Easement
New Com Wireless
Twin Falls Police Station
Site No. ID – 223**

A parcel of land located in Lot 16, Block 74, "Twin Falls Townsite", Twin Falls County, Idaho; being more particularly described as follows:

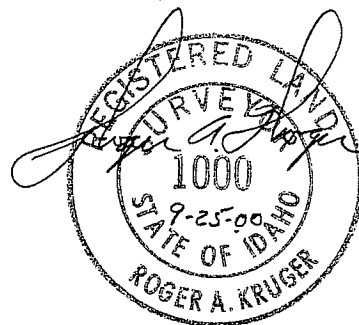
Commencing at the most Easterly corner of said Lot 16 and being THE REAL POINT OF BEGINNING.

Thence North 45°20'27" West, 4.69 feet along the right of way on 3rd Ave. East,

Thence South 44°43'30" West, 125.00 feet, along the existing building wall,

Thence South 45°20'27" East, 4.84 feet, along the boundary of Lot 16,

Thence North 44°39'33" East, 125.00 feet, along the right of way on 4th St. East to THE REAL POINT OF BEGINNING.



**Interior Lease
New Com Wireless
Twin Falls Police Station
Site No. ID-223**

An interior building space located in Lot 16, Block 74, "Twin Falls Townsite", Twin Falls County, Idaho; being more particularly described as follows:

Commencing at the most Easterly corner of said Lot 16. Thence North $45^{\circ}20'27''$ West 4.69 feet along the right of way on 3rd Avenue East. Thence South $44^{\circ}43'30''$ West, 20.17 feet. Thence South $89^{\circ}43'30''$ West, 1.41 feet to the interior building corner and being THE REAL POINT OF BEGINNING.

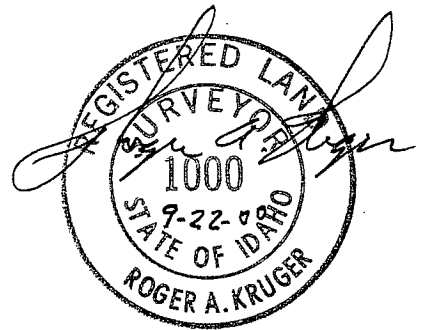
Thence North $45^{\circ}16'30''$ West, 9.33 feet along the interior wall,

Thence South $44^{\circ}43'30''$ West, 13.00 feet,

Thence South $45^{\circ}16'30''$ East, 9.33 feet,

Thence North $44^{\circ}43'30''$ East, 13.00 feet along the interior wall to THE REAL POINT OF BEGINNING.

Containing approximately 121 Sq. Ft.



L-530



MEMBER OF THE AT&T WIRELESS NETWORK



January 18, 2001

VIA Federal Express

City of Twin Falls
Attn: Thomas Courtney, City Manager
321 Second Avenue East
Twin Falls, ID 83303-1907
(208) 736-2240

Re: Tower Space Lease
Site: Twin Falls Airport ID242

Dear Mr. Courtney,

Enclosed in regards to the above referenced site for your records please find:

1. Two (2) fully executed Tower Space Leases dated September 22, 2000.
2. Two (2) fully executed Memorandums of Lease dated September 22, 2000.
3. One (1) fully executed Lease Addendum. We would like to clarify our understanding of paragraph 4. Initial Term. The Commencement Date mutually agreed upon by both parties shall be the day we begin installation of Edge Wireless' equipment upon the tower; and the initial term would expire seven (7) years from that day. We will provide a letter with the first year's rent informing you of our intent to commence construction.

Thank you for your consideration of these matters. We look forward to working with you in the future.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Hunter".

Jennifer Hunter
Senior Real Estate Manager
Edge Wireless, LLC
Formerly known as Newcom Wireless, LLC

JH/dt

Enc.

CC: Matthew Sutton
Pocatello Office

TOWER SPACE LEASE - AIRPORT

This Lease is made and entered into the 22nd day of September 2000, by and between the City of Twin Falls, Idaho, 321 Second Avenue East, Twin Falls, Idaho, 83303-1907, hereinafter referred to as "Landlord", and NewCom Wireless, LLC, Attention: Eric Anderson, 600 SW Columbia, Suite 3210, Bend, Oregon 97702 ("Tenant").
7200

WHEREAS, Landlord owns and maintains a communications tower (the "Tower") located upon a parcel of land (the "Premises") located at 251 Joslin Way, Twin Falls, Idaho; (See Exhibit A attached hereto) and

WHEREAS, Tenant desires to occupy, and Landlord is willing to provide, attachment locations upon the Tower for Tenant's transmission and receipt of radio-telephone and other electrical signals.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. Demise of Premises. Landlord hereby lets and demises unto Tenant, and Tenant hereby receives and accepts from Landlord, the following described Premises (the "Premises"):

- (a) Attachment locations upon the Tower for the placement and affixing of up to three (3), seventy-two inches (72") high, twelve inches (12") wide and three inches (3") deep panel antennas, at ninety feet (90') above ground level (AGL), two (2) two foot (2') microwave dishes at a height above the ground clutter, all devices shall be oriented in such directions as shall be in accordance with Tenant's needs. Additionally, Tenant shall be permitted to add equipment as necessary subject to existing attached devices and the limitations of the Tower.
- (b) Tenant shall, at Tenant's sole expense, provided and install one (90') monopole (antenna support structure) at the communication site. The antenna support structure shall be engineered for three tenants; NewCom Wireless, LLC, the City of Twin Falls, and one additional tenant. The antenna support structure shall be the property of the City of Twin Falls. Landlord stipulates that the tower capacity will be determined by the loading requirements of the tenants.
- (c) Tenant will, at Tenant's sole expense, install the Landlord's antenna equipment on the antenna support structure upon completion of construction. Landlord will be responsible for installation of any additional equipment. Landlord will be responsible for the maintenance of all their equipment.
- (d) Tenant will also be allowed to place an 8' x 14.5' Equipment Shelter near the selected antenna support structure on Tenant's Leasehold Parcel, as described in Exhibit "B". The Tenant shall connect to and receive power from Landlord's power source on the same terms as outlined below in Paragraph 8.
- e) Landlord will be provided rack space in the Tenant's Equipment Shelter for two (2) network bridges, or the equivalent of one-half of a 19 inch rack.

2. Privileges. Landlord hereby confers upon Tenant the following described privileges appurtenant to the Premises, which shall be irrevocable for the duration hereof:

- (a) To place and affix lines for signal carriage between Tenant's Building and Tenant's antennas upon the Tower, including both the privilege and the obligation to install a suitable line bridge structure;
- (b) To extend and connect lines for utility services between Tenant's Building and utility company service connection points located at the Premises;
- (c) To travel between the Premises and the public road over routes which Landlord is entitled to use.
- (d) To traverse common areas of the Premises reasonably necessary to accomplish Tenant's purposes and contemplated herein.

3. Use of Premises. Tenant shall be entitled to use the Premises to install, operate, and maintain thereon antennas and related equipment for the transmission and receipt of radio-telephone and other electrical signals, but for no other use or purpose. Tenant's use of the Premises shall at all times comply with and conform to all laws and regulations applicable thereto, and shall be subject to Landlord's review and approval regarding Tenant's placement of antennas and lines upon the Tower, and all other matters which Landlord deems, in Landlord's reasonable opinion, to affect Landlord's own operations or interests. The cost of establishing Tenant's base station at the Premises, including the cost of improving the delivery of utility services to the Premises or making any necessary or desirable alterations to the Tower to accommodate Tenant's antennas, lines, and operations, shall borne exclusively by Tenant. Landlord agrees to exercise the utmost restraint in rescinding its approval once given for any portion of Tenant's installation, and to refrain from requiring Tenant to undertake later modifications to Tenant's base station without sharing the cost thereof.

4. Initial Term. The initial term of this Lease shall commence on October 1, 2000, and shall expire seven (7) years thereafter on September 30, 2007.

5. Renewal. This Lease shall automatically renew and extend for up to four (4) additional terms of five (5) years each, as the same shall coincide with, and not exceed, the duration of Landlord's right to keep the Tower at the Premises, upon a continuation of all the same provisions hereof, subject to Tenant's unilateral right of termination as set forth next below.

6. Option to Terminate. Tenant shall have the right to terminate this Lease or any extension thereof at any time upon giving Landlord sixty (60) days written notice by certified mail to Landlord at the address shown above.

7. Collocation Rent. Tenant shall pay Base Rent to Landlord in the amount of ONE DOLLAR (\$1.00) per year, which shall be due when construction begins and then regularly thereafter on the first day of each year, Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or a maximum two payees) who shall receive rent on behalf of the Landlord. Rent will be prorated for any partial year.

In the eighth (8) year of this agreement the base rent shall be increased to THREE THOUSAND DOLLARS (\$3,000.00) per year.

On every one (1) year anniversary of the commencement date of the term of this lease, rent shall be increased by three percent (3%); and throughout the duration hereof as renewed and extended, the rent shall be increased three percent (3%) per year.

8. Utilities. Tenant shall solely and independently be responsible for the separate metering, billing, and payment of all utility services to be consumed by Tenant's operation; provided, however, that if Landlord and Tenant shall mutually agree for reasons of convenience and practicality Tenant shall be permitted to connect to Landlord's existing electric utility service and to draw power therefrom for Tenant's base station, subject to a duty to reimburse Landlord for Tenant's share of the cost of power. Landlord shall be entitled to allocate its cost of delivering electricity among all users thereof on any basis reasonably estimated to reflect their actual power consumption, and to demand and receive from Tenant such allocated share attributable to Tenant by periodically presenting Tenant with an invoice therefore, or by collecting from Tenant a regular monthly contribution toward the cost of power which Landlord may elect to reconcile to an aggregate share settled by periodic invoice.

9. Taxes. Tenant shall be responsible for taxes levied against Tenant's antennas and lines, and all of Tenant's base station equipment. Landlord shall be responsible for taxes levied against the Tower, Landlord's own Building, auxiliary power generator, if any, and Landlord's base station equipment.

10. Access and Security. Tenant shall have unrestricted access to the Premises and to Landlord's Tower at all hours of the day and night, without any requirement of supervision by the Landlord. Tenant's access to the Tower shall be limited to work performed on Tenant's behalf by a qualified tower services contractor hired at Tenant's sole expense. Landlord and Tenant mutually covenant to admit only their authorized personnel to the Premises, and only in furtherance of the specific business purpose of telecommunications. Doors and gates shall be kept closed and locked except when required to be open for immediate ingress or egress.

11. Non-Interference. Tenant shall not use the Premises in any way which interferes with the use of the Premises by Landlord, the provision of services to Landlord's customers, or the use of the Premises by other tenants or licensees of Landlord. Similarly, Landlord shall not use, nor shall Landlord permit its tenants, licensees, employees, invitees or agents to use any portion of the Premises in any way which interferes with the operations of Tenant. Such interference shall be deemed a material breach by the interfering party who shall, upon written notice from the other party, be responsible for terminating such interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring an action to enjoin such interference and/or to terminate this Lease.

12. Aviation Hazard Marking. Landlord agrees to solely be responsible for full compliance, at all times, with the Tower marking, lighting, maintenance, inspection, recording, notification, and registration requirements of the Federal Communications commission and the Federal Aviation Administration, and to share proof of such compliance with Tenant as Tenant may reasonably require.

13. Mutual Indemnification. Tenant shall indemnify and hold Landlord harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Tenant, or resulting from Tenant's use of the Premises or its presence at the Premises. Landlord shall indemnify and hold Tenant harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Landlord. Neither party shall be required to hold the other party harmless against the unwelcome consequences of such other party's own willful or negligent conduct.

14. Insurance. Tenant shall continuously maintain in full force and effect a policy of commercial general liability insurance covering Tenant's work and operations at the Premises.

15. Opportunity to Cure Defaults. If Landlord or Tenant fails to comply with any provision of this Lease which the other party claims to be a default hereof, the party making such claim shall serve written notice of such default upon the defaulting party, whereupon a grace period of 30 days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional 30 days, provided the defaulting party makes a good faith showing that efforts toward a cure are continuing. This Section shall not apply in cases of interference, which instead shall require immediate and effective curative.

16. Tenant's Separate Property. Landlord hereby agrees that Tenant's base station equipment, including Tenant's antennas and lines, are and shall remain Tenant's separate personal property, and that said property shall never be considered fixtures to the real estate. Tenant shall at all times be authorized to remove Tenant's property from the Premises, free from any lien of Landlord. Such removal shall be accomplished without damage to the property of Landlord or third parties, and in accordance with Landlord's management control of the Premises.

17. Assignment of Tenant's Interest. Tenant's interest under this Lease may be freely assigned in connection with the transfer of Tenant's FCC authorization to operate a communications facility at the Premises. Any other assignment of this Lease by Tenant shall require Landlord's prior written consent, which consent Landlord agrees, shall not unreasonably be withheld. Furthermore, no assignment shall be effected pursuant to this Section unless Tenant shall notify Landlord in a writing setting forth the name, address and telephone number of such assignee.

18. Multiple Users. Tenant shall not sublet the Premises or any portion thereof, or permit the Premises to become occupied by multiple users purporting to concurrently hold Tenant's rights and privileges hereunder, without first obtaining Landlord's consent, which consent shall not be unreasonably withheld.

19. Quiet Enjoyment. Landlord covenants that Tenant shall have quiet and peaceable use and enjoyment of the Premises throughout the duration of this Lease, and that Landlord will not intentionally disturb Tenant's possession thereof as long as Tenant is not in default hereunder.

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20. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's property from the Premises and surrender the Tower Premises to Landlord in good condition, reasonable wear and tear excepted.

21. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant other instruments respecting the Premises, as Tenant or Tenant's lender may reasonably request from time to time, provided that any such instruments are in furtherance of, and do not substantially expand, Tenant's rights and privileges herein established. Such instruments may include a memorandum of lease which may be recorded in the country land records. Landlord also agrees to reasonably cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises, as long as Landlord is not expected to bear the financial burden of any such efforts.

22. Attorney's Fees. In any action on this Lease at law or in equity, the prevailing party shall be entitled to recover the reasonable costs of its successful case, including reasonable attorney's fees and costs of appeal.

23. Merger and Modifications. This Lease contains the entire agreement of the parties, and may not be modified except in writing signed by the party against whom such modification is sought to be enforced.

24. Notices. All notices required or desired to be given under this Lease shall be in writing and dispatched by certified mail or commercial courier to the party to be served at its address as follows:

If to Landlord:

City of Twin Falls
C/o Thomas J. Courtney, City Manager
P.O. Box 1907
Twin Falls, ID 83303-1907

If to Tenant:

NEWCOM WIRELESS, LLC
600 S.W. Columbia, Suite 3210 7200
Bend, Or 97702

or at such other address as such party may previously have advised the other party by notice similarly given.

24. Binding Effect. All of the provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest.

IN WITNESS WHEREOF, the parties hereto bind themselves to this Lease as of the day and year first above written.

2/4/07

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TF - Airport

City of Twin Falls, Idaho

NewCom Wireless, LLC

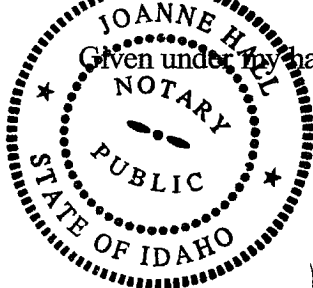
By: Thomas J. Courtney
Thomas J. Courtney
City Manager
City of Twin Falls, Idaho

By: Michael D. Brink
~~Eric Anderson~~ MICHAEL D BRINK
~~Director of Engineering~~ etc
NewCom Wireless, LLC

Social Security # (or FEIN)

STATE OF Idaho
COUNTY OF Twin Falls

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Thomas J. Courtney, City Manager for the City of Twin Falls, ID, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and severally acknowledged that he signed the said Lease as his free and voluntary act for the uses and purposes therein stated.



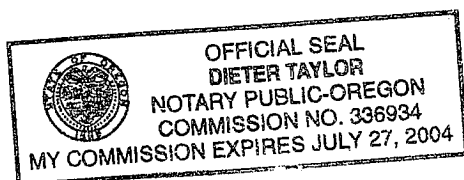
Given under my hand and seal this 1 day of November, 2000.

Joanne Hall
Notary Public

STATE OF Oregon
COUNTY OF Deschutes

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that ~~Eric Anderson~~ Michael Brink etc, Director of Engineering for NewCom Wireless, LLC, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of NewCom Wireless, LLC, for the uses and purposes therein stated.

Given under my hand and seal this 4th day of December, 2000.



[Signature]
Notary Public

TOWER SPACE LEASE - AIRPORT

This Lease is made and entered into the 22nd day of September 2000, by and between the City of Twin Falls, Idaho, 321 Second Avenue East, Twin Falls, Idaho, 83303-1907, hereinafter referred to as "Landlord", and NewCom Wireless, LLC, Attention: Eric Anderson, 600 SW Columbia, Suite 3210, Bend, Oregon 97702 ("Tenant").

-7200

WHEREAS, Landlord owns and maintains a communications tower (the "Tower") located upon a parcel of land (the "Premises") located at 251 Joslin Way, Twin Falls, Idaho; (See Exhibit A attached hereto) and

WHEREAS, Tenant desires to occupy, and Landlord is willing to provide, attachment locations upon the Tower for Tenant's transmission and receipt of radio-telephone and other electrical signals.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. Demise of Premises. Landlord hereby lets and demises unto Tenant, and Tenant hereby receives and accepts from Landlord, the following described Premises (the "Premises"):

- (a) Attachment locations upon the Tower for the placement and affixing of up to three (3), seventy-two inches (72") high, twelve inches (12") wide and three inches (3") deep panel antennas, at ninety feet (90') above ground level (AGL), two (2) two foot (2') microwave dishes at a height above the ground clutter, all devices shall be oriented in such directions as shall be in accordance with Tenant's needs. Additionally, Tenant shall be permitted to add equipment as necessary subject to existing attached devices and the limitations of the Tower.
- (b) Tenant shall, at Tenant's sole expense, provided and install one (90') monopole (antenna support structure) at the communication site. The antenna support structure shall be engineered for three tenants; NewCom Wireless, LLC, the City of Twin Falls, and one additional tenant. The antenna support structure shall be the property of the City of Twin Falls. Landlord stipulates that the tower capacity will be determined by the loading requirements of the tenants.
- (c) Tenant will, at Tenant's sole expense, install the Landlord's antenna equipment on the antenna support structure upon completion of construction. Landlord will be responsible for installation of any additional equipment. Landlord will be responsible for the maintenance of all their equipment.
- (d) Tenant will also be allowed to place an 8' x 14.5' Equipment Shelter near the selected antenna support structure on Tenant's Leasehold Parcel, as described in Exhibit "B". The Tenant shall connect to and receive power from Landlord's power source on the same terms as outlined below in Paragraph 8.
- (e) Landlord will be provided rack space in the Tenant's Equipment Shelter for two (2) network bridges, or the equivalent of one-half of a 19 inch rack.

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2. Privileges. Landlord hereby confers upon Tenant the following described privileges appurtenant to the Premises, which shall be irrevocable for the duration hereof:

- (a) To place and affix lines for signal carriage between Tenant's Building and Tenant's antennas upon the Tower, including both the privilege and the obligation to install a suitable line bridge structure;
- (b) To extend and connect lines for utility services between Tenant's Building and utility company service connection points located at the Premises;
- (c) To travel between the Premises and the public road over routes which Landlord is entitled to use.
- (d) To traverse common areas of the Premises reasonably necessary to accomplish Tenant's purposes and contemplated herein.

3. Use of Premises. Tenant shall be entitled to use the Premises to install, operate, and maintain thereon antennas and related equipment for the transmission and receipt of radio-telephone and other electrical signals, but for no other use or purpose. Tenant's use of the Premises shall at all times comply with and conform to all laws and regulations applicable thereto, and shall be subject to Landlord's review and approval regarding Tenant's placement of antennas and lines upon the Tower, and all other matters which Landlord deems, in Landlord's reasonable opinion, to affect Landlord's own operations or interests. The cost of establishing Tenant's base station at the Premises, including the cost of improving the delivery of utility services to the Premises or making any necessary or desirable alterations to the Tower to accommodate Tenant's antennas, lines, and operations, shall borne exclusively by Tenant. Landlord agrees to exercise the utmost restraint in rescinding its approval once given for any portion of Tenant's installation, and to refrain from requiring Tenant to undertake later modifications to Tenant's base station without sharing the cost thereof.

4. Initial Term. The initial term of this Lease shall commence on October 1, 2000, and shall expire seven (7) years thereafter on September 30, 2007.

5. Renewal. This Lease shall automatically renew and extend for up to four (4) additional terms of five (5) years each, as the same shall coincide with, and not exceed, the duration of Landlord's right to keep the Tower at the Premises, upon a continuation of all the same provisions hereof, subject to Tenant's unilateral right of termination as set forth next below.

6. Option to Terminate. Tenant shall have the right to terminate this Lease or any extension thereof at any time upon giving Landlord sixty (60) days written notice by certified mail to Landlord at the address shown above.

7. Collocation Rent. Tenant shall pay Base Rent to Landlord in the amount of ONE DOLLAR (\$1.00) per year, which shall be due when construction begins and then regularly thereafter on the first day of each year, Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or a maximum two payees) who shall receive rent on behalf of the Landlord. Rent will be prorated for any partial year.

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In the eighth (8) year of this agreement the base rent shall be increased to THREE THOUSAND DOLLARS (\$3,000.00) per year.

On every one (1) year anniversary of the commencement date of the term of this lease, rent shall be increased by three percent (3%); and throughout the duration hereof as renewed and extended, the rent shall be increased three percent (3%) per year.

8. Utilities. Tenant shall solely and independently be responsible for the separate metering, billing, and payment of all utility services to be consumed by Tenant's operation; provided, however, that if Landlord and Tenant shall mutually agree for reasons of convenience and practicality Tenant shall be permitted to connect to Landlord's existing electric utility service and to draw power therefrom for Tenant's base station, subject to a duty to reimburse Landlord for Tenant's share of the cost of power. Landlord shall be entitled to allocate its cost of delivering electricity among all users thereof on any basis reasonably estimated to reflect their actual power consumption, and to demand and receive from Tenant such allocated share attributable to Tenant by periodically presenting Tenant with an invoice therefore, or by collecting from Tenant a regular monthly contribution toward the cost of power which Landlord may elect to reconcile to an aggregate share settled by periodic invoice.

9. Taxes. Tenant shall be responsible for taxes levied against Tenant's antennas and lines, and all of Tenant's base station equipment. Landlord shall be responsible for taxes levied against the Tower, Landlord's own Building, auxiliary power generator, if any, and Landlord's base station equipment.

10. Access and Security. Tenant shall have unrestricted access to the Premises and to Landlord's Tower at all hours of the day and night, without any requirement of supervision by the Landlord. Tenant's access to the Tower shall be limited to work performed on Tenant's behalf by a qualified tower services contractor hired at Tenant's sole expense. Landlord and Tenant mutually covenant to admit only their authorized personnel to the Premises, and only in furtherance of the specific business purpose of telecommunications. Doors and gates shall be kept closed and locked except when required to be open for immediate ingress or egress.

11. Non-Interference. Tenant shall not use the Premises in any way which interferes with the use of the Premises by Landlord, the provision of services to Landlord's customers, or the use of the Premises by other tenants or licensees of Landlord. Similarly, Landlord shall not use, nor shall Landlord permit its tenants, licensees, employees, invitees or agents to use any portion of the Premises in any way which interferes with the operations of Tenant. Such interference shall be deemed a material breach by the interfering party who shall, upon written notice from the other party, be responsible for terminating such interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights that it may have at law or in equity, to bring an action to enjoin such interference and/or to terminate this Lease.

12. Aviation Hazard Marking. Landlord agrees to solely be responsible for full compliance, at all times, with the Tower marking, lighting, maintenance, inspection, recording, notification, and registration requirements of the Federal Communications commission and the Federal Aviation Administration, and to share proof of such compliance with Tenant as Tenant may reasonably require.

13. Mutual Indemnification. Tenant shall indemnify and hold Landlord harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Tenant, or resulting from Tenant's use of the Premises or its presence at the Premises. Landlord shall indemnify and hold Tenant harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Landlord. Neither party shall be required to hold the other party harmless against the unwelcome consequences of such other party's own willful or negligent conduct.

14. Insurance. Tenant shall continuously maintain in full force and effect a policy of commercial general liability insurance covering Tenant's work and operations at the Premises.

15. Opportunity to Cure Defaults. If Landlord or Tenant fails to comply with any provision of this Lease which the other party claims to be a default hereof, the party making such claim shall serve written notice of such default upon the defaulting party, whereupon a grace period of 30 days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional 30 days, provided the defaulting party makes a good faith showing that efforts toward a cure are continuing. This Section shall not apply in cases of interference, which instead shall require immediate and effective curative.

16. Tenant's Separate Property. Landlord hereby agrees that Tenant's base station equipment, including Tenant's antennas and lines, are and shall remain Tenant's separate personal property, and that said property shall never be considered fixtures to the real estate. Tenant shall at all times be authorized to remove Tenant's property from the Premises, free from any lien of Landlord. Such removal shall be accomplished without damage to the property of Landlord or third parties, and in accordance with Landlord's management control of the Premises.

17. Assignment of Tenant's Interest. Tenant's interest under this Lease may be freely assigned in connection with the transfer of Tenant's FCC authorization to operate a communications facility at the Premises. Any other assignment of this Lease by Tenant shall require Landlord's prior written consent, which consent Landlord agrees, shall not unreasonably be withheld. Furthermore, no assignment shall be effected pursuant to this Section unless Tenant shall notify Landlord in a writing setting forth the name, address and telephone number of such assignee.

18. Multiple Users. Tenant shall not sublet the Premises or any portion thereof, or permit the Premises to become occupied by multiple users purporting to concurrently hold Tenant's rights and privileges hereunder, without first obtaining Landlord's consent, which consent shall not be unreasonably withheld.

19. Quiet Enjoyment. Landlord covenants that Tenant shall have quiet and peaceable use and enjoyment of the Premises throughout the duration of this Lease, and that Landlord will not intentionally disturb Tenant's possession thereof as long as Tenant is not in default hereunder.

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20. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's property from the Premises and surrender the Tower Premises to Landlord in good condition, reasonable wear and tear excepted.

21. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant other instruments respecting the Premises, as Tenant or Tenant's lender may reasonably request from time to time, provided that any such instruments are in furtherance of, and do not substantially expand, Tenant's rights and privileges herein established. Such instruments may include a memorandum of lease which may be recorded in the country land records. Landlord also agrees to reasonably cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises, as long as Landlord is not expected to bear the financial burden of any such efforts.

22. Attorney's Fees. In any action on this Lease at law or in equity, the prevailing party shall be entitled to recover the reasonable costs of its successful case, including reasonable attorney's fees and costs of appeal.

23. Merger and Modifications. This Lease contains the entire agreement of the parties, and may not be modified except in writing signed by the party against whom such modification is sought to be enforced.

24. Notices. All notices required or desired to be given under this Lease shall be in writing and dispatched by certified mail or commercial courier to the party to be served at its address as follows:

If to Landlord:

City of Twin Falls
C/o Thomas J. Courtney, City Manager
P.O. Box 1907
Twin Falls, ID 83303-1907

If to Tenant:

NEWCOM WIRELESS, LLC
600 S.W. Columbia, Suite 3210 7200
Bend, Or 97702

or at such other address as such party may previously have advised the other party by notice similarly given.

24. Binding Effect. All of the provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest.

IN WITNESS WHEREOF, the parties hereto bind themselves to this Lease as of the day and year first above written.

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City of Twin Falls, Idaho

NewCom Wireless, LLC

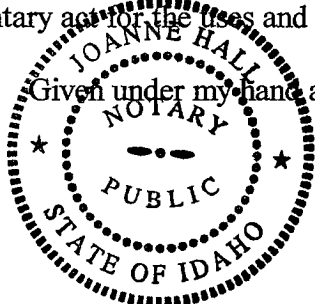
By: Thomas J. Courtney
Thomas J. Courtney
City Manager
City of Twin Falls, Idaho

By: Eric Anderson
Eric Anderson *Michael D Brink*
Director of Engineering *cto*
NewCom Wireless, LLC

Social Security # (or FEIN)

STATE OF Idaho
COUNTY OF Twin Falls

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Thomas J. Courtney, City Manager for the City of Twin Falls, ID, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and severally acknowledged that he signed the said Lease as his free and voluntary act for the uses and purposes therein stated.



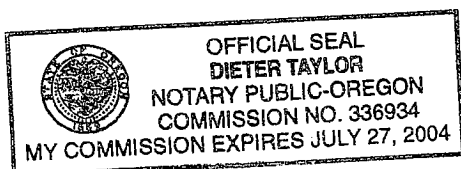
Given under my hand and seal this 1 day of November, 2000.

Joanne Hall
Notary Public

STATE OF Oregon
COUNTY OF Deschutes

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Eric Anderson, Director of Engineering for NewCom Wireless, LLC, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of NewCom Wireless, LLC, for the uses and purposes therein stated.

Given under my hand and seal this 4th day of December, 2000.



Dieter Taylor
Notary Public

L-605

SBA TOWERS II LLC
5900 Broken Sound Parkway NW
Boca Raton, FL 33487
561-226-9304 (direct line)
561-226-5953 (facsimile)
jpontano@sbsite.com

November 27, 2007

VIA OVERNIGHT MAIL

The Honorable Lance W. Clow
Mayor, City of Twin Falls
City Hall
321 2nd Ave. East
Twin Falls, ID 83301

RE: Lease Agreement, dated July 11, 2001 by and between the City of Twin Falls ("Landlord") and NTCH-Idaho, Inc. ("Tenant") (the "Ground Lease") with respect to that certain real property located at Eldridge Avenue, Twin Falls County, State of Idaho ("Property").
SBA Site ID: ID10549-A / Tank 1

Dear Mayor Clow:

SBA Towers II LLC ("SBA") may take an assignment of the Ground Lease and purchase certain of Tenant's assets located on the Property including the communications tower. As part of SBA's due diligence review in determining whether to consummate this transaction, we would ask that you confirm the following:

1. Attached as Exhibit "A" is a true and complete copy of the Ground Lease and all amendments or modifications thereto. The Ground Lease constitutes the entire agreement between you and Tenant with respect to the subject matter thereof. Tenant is the current tenant under the terms of the Ground Lease.
2. The Ground Lease commenced on March 1, 2002 and the expiration date of the initial term of the Ground Lease was February 28, 2007. Tenant exercised the option to extend the term of the Ground Lease for nine (9) additional terms of five (5) years each.
3. Tenant's annual base rent under the Ground Lease is \$4,710.00 and shall escalate according to the attached Ground Lease. Tenant pays no additional monthly rent. All rent, additional rent and other charges due and payable under the Ground Lease have been paid through February 29, 2008.

L605

4. Tenant shall remit all rental payments to Landlord at the address stated above unless otherwise indicated below:

Phone: _____

5. To the best of our knowledge either you nor Tenant is in default under the Ground Lease and there is no event which, with the giving of notice and/or the passage of time, would constitute such a default and you have no claim or defense of any nature whatsoever against Tenant with respect to the Ground Lease and there is no event which, with the giving of notice and/or the passage of time, would constitute the basis of such a claim or defense.
6. You consent to the proposed transaction with the understanding that this consent will be effective only if the transaction closes.
7. Tenant may freely sublease space on the ground as provided in paragraph 14 of the lease and/or on the tower without obtaining your consent.
8. SBA may from time to time grant to certain lenders selected by SBA and its affiliates (the "Lenders") a lien on and security interest in SBA's interest in the Ground Lease as provided in Paragraph 16 and all assets and personal property of SBA located on the leased space (the "Personal Property") as collateral security for the repayment of any indebtedness to the Lenders. Landlord hereby agrees to subordinate any security interest, lien, claim or other similar right, including, without limitation, rights of levy or distraint for rent, Landlord may have in or on the Personal Property, whether arising by agreement or by law, to the liens and/or security interests in favor of the Lenders, whether currently existing or arising in the future. Nothing contained herein shall be construed to grant a lien upon or security interest in any of Landlord's assets. Should Lender exercise any rights of SBA under the Ground Lease, including the right to exercise any renewal option(s) or purchase option(s) set forth in the Ground Lease, Landlord agrees to accept such exercise of rights by Lenders as if same had been exercised by SBA, and SBA, by signing below, confirms its agreement with this provision. If there shall be a monetary default by SBA under the Ground Lease, Landlord shall accept the cure thereof by Lenders within fifteen (15) days after the expiration of any grace period provided to SBA under the Ground Lease to cure such default, prior to terminating the Ground Lease. If there shall be a non-monetary default by SBA under the Ground Lease, Landlord shall accept the cure thereof by Lenders within thirty (30) days after the expiration of any grace period provided to SBA under the Ground Lease to cure such default, prior to terminating the

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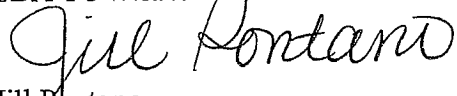
Ground Lease. The Ground Lease may not be amended in any respect which would be reasonably likely to have a material adverse effect on Lenders' interest therein or surrendered, terminated or cancelled. If the Ground Lease is terminated as result of an SBA default or is rejected in any bankruptcy proceeding, Landlord will enter into a new lease with Lenders or their designee on the same terms as the Ground Lease within 15 days of Lenders' request made within 30 days of notice of such termination or rejection, provided Lenders pay all past due amounts under the Ground Lease and cure all other defaults. The foregoing is not applicable to normal expirations of the term of the Ground Lease. In the event Landlord gives Tenant any notice of default under the terms of the Ground Lease, Landlord shall simultaneously give a copy of such notice to Lender at an address to be supplied by Tenant. SBA shall have the right to record a memorandum of the terms of this paragraph.

9. In the event the actual current tower and related improvements lay outside the legal descriptions for the leased area and access, utility and guy wire easements, SBA shall have the right to survey the improvements and record an Amended Memorandum of Lease reflecting the actual current location of the leased area and access, utility and guy wire easements.
10. If requested by SBA, you will execute a Memorandum of Lease to be recorded in the public records containing the metes and bounds description.

We would appreciate you reviewing and signing this letter at your earliest possible convenience as we would like to conclude this transaction as quickly as possible. If you could fax a copy of this signed letter to my attention at 561-226-5953 and return the original in the enclosed pre-paid return Federal Express envelope it would be greatly appreciated. Please do not hesitate to contact me at (561) 226-9304, if you have any concerns or questions.

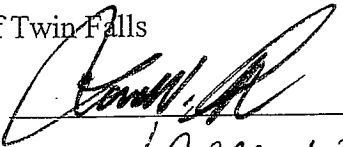
Sincerely,

SBA TOWERS II LLC


Jill Pontano
Acquisitions Manager

ACKNOWLEDGED AND CONFIRMED:

City of Twin Falls

By: 

Name: Lance W. Clow

Title: Mayor

Date: 12-3-2007

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LEASE AGREEMENT

THIS LEASE AGREEMENT (the Agreement) is entered into as of the 11th day of July, 2001, between City of Twin Falls (the "LANDLORD") and NTCH-Idaho, Inc., an Idaho Corporation and/or Assigns. (the "TENANT")

PROPERTY

LANDLORD is the owner of certain real property located in Twin Falls County, State of Idaho, and TENANT desires to lease a portion of such real property, containing approximately One thousand square feet (1,000 s.f.) together with an easement thereto, as hereinafter described (such portion of real property and such easement being hereinafter called the "Property"). The Property is more specifically described in and substantially shown as crosshatched on the Exhibit "A" attached hereto and made a part hereof.

1. **Lease of Property.** LANDLORD hereby leases to TENANT the Property, which lease includes the grant of a nonexclusive right and easement during the term of this Agreement for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle, including trucks, and for the installation and maintenance of utility wires, cables, conduits and pipes over, under or along the twenty-foot (20') wide easement extending from the nearest public right-of-way, which is known as Eldridge Ave., to the Property, as such right-of-way is shown on Exhibit "A-1" hereto (the "Easement").

2. **Initial Term and Rental.** This Agreement shall be for an initial term of five (5) years and shall commence at completion of Tenants antenna facility construction after the issuance of a building permit to Tenant by the issuing governmental authority (hereinafter referred to as the "Commencement Date") at an annual rental of Four Thousand Two Hundred (\$4,200.00), to be paid in equal annual installments on the Commencement Date, in advance, to City of Twin Falls, or to such other person, firm or place as the LANDLORD may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date. TENANT shall make all annual rental payments on the anniversary of the Commencement Date through out the lease term and any renewal terms.

3. **Extension of Term.** TENANT shall have the option to extend the term of this Agreement for nine (9) additional consecutive five (5) year periods. Each option for an extended term shall be deemed automatically exercised without notice by TENANT to LANDLORD unless TENANT gives LANDLORD written notice of its intention not to exercise any such option, prior to the beginning of the extended rental term, in which case, the term of this Agreement shall expire at the end of the then current term. All references herein to the term of this Agreement shall include the term as it is extended as provided in this Agreement.

4. **Extended Term Rental.** The annual rental rate for the extended terms shall be based upon the Bureau of Labor Statistics CPI Index – US All Cities. The annual rental rate for each extended term shall equal the product of (i) the annual rental rate for the immediately prior term and (ii) a fraction, the denominator of which is the CPI Index – US All Cities for the month immediately prior to the commencement date and the numerator of which is the CPI Index – US All Cities for the month immediately prior to the rent payment for the current extended term; provided, however, that in no event shall the extended term rental rate change be a sum equivalent to less than a 2% annual increase or exceed a 5% annual increase from the immediately preceding term rental rate. For example, if the Commencement Date were August 1, 2001 and the CPI Index All Cities for July 1, 2001 were 100 and the CPI Index – US All Cities for July 1, 2006 was 115, then the extended term rent payable August 1, 2006 would be \$4,830 ($\$4,200 \times 115 \div 100 = \$4,830$). However, if the CPI Index – US All Cities for July 1, 2006 is 109, then the extended term rent payable August 1, 2006 would be \$4,620 ($\$4,200 \times 110 \div 100 = \$4,620$) representing the equivalent minimum 2% annual increase over the previous five (5) year term. Alternatively, if the CPI Index – US All Cities for July 1, 2006 is 130, then the extended term rent payable August 1, 2006 would be \$5,250 ($\$4,200 \times 125 \div 100 = \$5,250$) representing the equivalent maximum 5% annual increase over the previous five (5) year term. In the event that the CPI Index – US All Cities (or a successor substitute index) is not available, some other representative index agreeable to both TENANT and LANDLORD shall be used in lieu of the CPI Index – US All Cities. The annual rental for the extended terms shall be payable in the same manner as the annual rental for the initial term.

5. **Continuance of Lease.** If, at least six (6) months prior to the end of the ninth (9th) extended term, either LANDLORD or TENANT has not given the other written notice of its desire that the term of this Agreement end at expiration of the ninth (9th) extended term, then upon the expiration of the ninth (9th) extended term this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of one (1) year, and for annual terms thereafter until terminated by either party by giving to the other written notice of its intention to so terminate at least six (6) months prior to the end of any such annual term. Annual rental during such annual terms shall be equal to the rent paid for the last year of the ninth (9th) extended term increased by two and one-half percent ($2 \frac{1}{2} \%$) each year for which the lease is continued under the above provisions.

6. **Use.** TENANT shall use the Property for the purpose of constructing, maintaining and operating communication facilities and uses incidental thereto, which facilities may consist of such buildings as are necessary to house telecommunications equipment and for related office space, free standing monopoles or other types of antenna structures of sufficient height, as determined by TENANT, now or in the future to meet TENANT's telecommunication needs and all necessary appurtenances, and a security fence of chain link or comparable construction that may, at the option of TENANT, be placed around the perimeter of the Property (collectively, the "Communications Facility"). All improvements to the Property necessary for TENANT's use shall be made at TENANT's sole expense. LANDLORD grants TENANT the right to use such portions of LANDLORD's immediate Surrounding Property to lease parcel as is reasonably required for the construction, installation, and maintenance of the Communications Facility, including (1) the right of ingress, egress, and regress to and from the Property for construction machinery and equipment, (2) the right to use such portions of LANDLORD's Surrounding Property with the prior consent of Landlord which shall not be unreasonably withheld, as are reasonably necessary for storage of construction materials and equipment during construction of the Communications Facility, and (3) the right to construct and maintain improvements on LANDLORD's Surrounding Property and/or the Easement reasonably necessary for the maintenance and operation of the Communications Facility. TENANT

will maintain the Property and all of TENANT's improvements on the Property in a reasonable condition.

TENANT, at TENANT's option, may erect monopoles and other such structures suitable for its proposed use. LANDLORD grants TENANT the right to clear all trees, undergrowth, or other obstructions and to trim, cut, and keep trimmed and cut, all tree limbs which may interfere with or fall upon TENANT's tower or the TENANT's other improvements.

7. Governmental Approvals. If at any time during the term of this Agreement, TENANT is unable to use the Property for a Communications Facility in the manner intended by TENANT due to imposed zoning conditions or requirements, or in the event that any necessary certificate, permit, license or approval is finally rejected or any previously issued certificate, permit, license or approval is canceled, expires, lapses, or is otherwise withdrawn or terminated by the applicable governmental authority, or soil boring tests or radio frequency propagation tests are found to be unsatisfactory so that TENANT, in its sole discretion, will be unable to use the Property for a Communications Facility in the manner intended by TENANT, TENANT shall have the right to terminate this Agreement by written notice to LANDLORD and all rentals paid to LANDLORD prior to the termination date shall be retained by LANDLORD. Upon such termination, this Agreement shall become null and void and LANDLORD and TENANT shall have no other further obligations to each other, other than TENANT's obligation to remove its property as hereinafter provided.

8. Indemnification. TENANT shall indemnify and hold LANDLORD harmless against any liability or loss from personal injury or property damage resulting from or arising out of the use and occupancy of the Property by TENANT or its employees or agents, excepting, however, such liabilities and losses as may be due to or caused by the acts or omissions of LANDLORD or its employees or agents. LANDLORD shall indemnify and hold TENANT harmless against any liability or loss from personal injury or property damage resulting from or arising out of the use and occupancy of the Property or LANDLORD's Surrounding Property by LANDLORD or its employees or agents, excepting, however, such liabilities and losses as may be due to or caused by the acts or omissions of TENANT or its employees or agents. LANDLORD agrees that TENANT may self-insure against any loss or damage, which could be covered by a comprehensive general liability policy. TENANT shall maintain in full force during the initial term and any renewal term of this Agreement, Comprehensive General Liability Insurance in the amount of \$1,000,000.00 per occurrence.

9. Taxes. TENANT shall be responsible for making any necessary returns for and paying any and all other property taxes separately levied or assessed against the improvements constructed by TENANT on the Property. TENANT shall reimburse LANDLORD, as additional rent, for any increase in ad valorem real estate taxes levied against the Property which are directly attributable to the improvements constructed by TENANT on the Property and are not separately levied or assessed by the taxing authorities against TENANT or the improvements of TENANT, provided, however, LANDLORD shall provide to TENANT prior notice and a copy of the supplemental tax bill of any taxes for which it is to be charged, so as to be given the opportunity to appear before the taxing authority and contest said assessment. LANDLORD shall pay all other ad valorem real property taxes levied against the Property on or before the date such taxes become delinquent. TENANT may, at TENANT's sole option, pay any delinquent taxes levied against LANDLORD's property and then deduct any amount paid from future rents due.

10. Termination. TENANT shall have the right to terminate this Agreement by written notice to LANDLORD at any time upon the occurrence of any of the following events: (a) any

certificate, permit, license or approval necessary for the construction or operation of the Communications Facility in the manner intended by TENANT is rejected, cancelled, expires, lapses, or is otherwise withdrawn or terminated, or TENANT determines the cost of obtaining or retaining any such certificate, permit, license or approval, or of complying with applicable legal and regulatory requirements, is unreasonable; or (b) TENANT determines that, based upon imposed zoning conditions or requirements, soil boring tests, radio frequency propagation tests, or interference with TENANT's reception or transmission, the Property is inappropriate for the uses intended by TENANT; or (c) LANDLORD does not have good and marketable title to the Property or does not have the full power and authority to enter into and execute this Agreement or Property is encumbered in a way which restricts TENANT's use. Upon such termination, this Agreement shall be come null and void and LANDLORD and TENANT shall have no other further obligations to each other, other than TENANT's obligation to remove its property as hereinafter provided.

11. Removal of Improvements. Title to all improvements constructed or installed by TENANT on the Property shall remain with TENANT, and all improvements constructed or installed by TENANT shall at all times be and remain the property of TENANT, regardless of whether such improvements are attached or affixed to the Property. TENANT, upon termination of this Agreement, shall, within thirty (30) days, remove all improvements, fixtures and personal property constructed or installed on the Property by TENANT and restore the Property to its original above grade condition, reasonable wear and tear excepted. At LANDLORD's option, upon termination of this Agreement and upon LANDLORD's written notice within thirty (30) days from notification of termination to TENANT, TENANT will leave the foundation and security fence on the Property to become the property of LANDLORD. If such removal causes TENANT to remain on the Property thirty (30) days after termination of this Agreement, TENANT shall pay rent at the then existing annual rate on a pro rated basis until such time as the removal is completed.

12. Sale of Property. If LANDLORD, at any time during the initial or any extended term of this Agreement, decides to sell the Property, or all or any part of LANDLORD's Surrounding Property, to a purchaser other than TENANT, such sale shall be subject to this Agreement and TENANT's rights hereunder. However TENANT will have first right of refusal to buy the leased Property, provided TENANT executes an agreement relating to the sale of the Property within thirty (30) days after receipt of LANDLORD's notice of the terms and conditions of the offer. In the event, TENANT does not execute a purchase agreement to buy the Property within thirty (30) days of receipt of LANDLORD's notice of said offer then TENANT's right of first refusal shall be deemed to have been waived and LANDLORD shall thereafter have the right to sell the Property to a third party. If LANDLORD changes the economic terms and conditions from those contained in the original offer, LANDLORD shall be obligated to first offer such revised terms to TENANT pursuant to a new offer. LANDLORD agrees not to sell, lease or use any other areas of LANDLORD's Surrounding Property for the installation, operation or maintenance of other communications facilities if, in TENANT's sole judgment, such installation, operation or maintenance would interfere with TENANT's facilities.

13. Quiet Enjoyment. LANDLORD covenants that TENANT, on paying the rental and performing the covenants, terms and conditions required of TENANT contained herein, shall peaceably and quietly have, hold and enjoy the Property and the leasehold estate granted to TENANT by virtue of this Agreement.

14. Assignment and Subleasing. This Agreement may be sold, assigned or transferred at any time by TENANT to TENANT's parent company or any affiliate or subsidiary of TENANT or its parent company, to any successor entity with or into which TENANT is sold, merged or consolidated,

or to any entity resulting from a reorganization of TENANT or its parent company or to any third party agreeing to be subject to the terms hereof. Otherwise, this Agreement may not be sold, assigned or transferred without the written consent of LANDLORD, such consent not to be unreasonably withheld. Notwithstanding the foregoing, TENANT may sublease all or any part of the Property, including, but not limited to, ground space and tower space.

15. Condemnation. If the whole of the Property, or such portion thereof as will make the Property unusable for the purposes herein leased, is condemned by any legally constituted public authority, then this Agreement, and the term hereby granted, shall, in TENANT's sole option, cease from the time when possession thereof is taken by the public authority, and rental shall be accounted for as between LANDLORD and TENANT as of that date. Any lesser condemnation shall in no way affect the respective rights and obligations of LANDLORD and TENANT hereunder. However, nothing in this paragraph shall be construed to limit or adversely affect TENANT's right to an award of compensation from any condemnation proceeding for the taking of TENANT's leasehold interest hereunder or for the taking of TENANT's improvements, fixtures, equipment, and personal property.

16. Subordination. At LANDLORD's option, this Agreement shall be subordinate to any deed to secure debt or mortgage by LANDLORD which now or hereafter may encumber the Property, provided, that no such subordination shall be effective unless the holder of every such deed to secure debt or mortgage shall, either in the deed to secure debt or mortgage or in a separate agreement with TENANT, agree that in the event of a foreclosure, or conveyance in lieu of foreclosure, of LANDLORD's interest in the Property, such holder shall recognize and confirm the validity and existence of this Agreement and the rights of TENANT hereunder, and this Agreement shall continue in full force and TENANT shall have the right to continue its use and occupancy of the Property in accordance with the provisions of this Agreement as long as TENANT is not in default of this Agreement beyond applicable notice and cure periods. TENANT shall execute in a timely manner whatever instruments may reasonably be required to evidence the provisions of this paragraph. In the event the Property is encumbered by a deed to secure debt or mortgage, TENANT shall furnish to LANDLORD a non-disturbance agreement, and LANDLORD, no later than ten (10) days after receipt of such non-disturbance agreement, shall return to TENANT such non-disturbance agreement executed in recordable form by the holder of each deed to secure debt or mortgage.

17. Title Insurance. TENANT, at TENANT's option and sole expense, may obtain a title insurance policy, title commitment, title report, abstract, or any other reports to insure the suitability of the property for lease. LANDLORD agrees to cooperate with TENANT's efforts to obtain the above-mentioned documents or obtaining requested documentation as required by the title insurance company. If LANDLORD fails to provide requested documentation within thirty (30) days of TENANT's request, or fails to provide any non-disturbance agreement required in the preceding paragraph of this Agreement, TENANT, at TENANT's option, may withhold and accrue the annual rental or any pro rated portion thereof until such time as all such documentation is received by TENANT.

18. Hazardous Substances. LANDLORD hereby warrants and affirms that to the best of his knowledge there are no hazardous substances under or around the Property. LANDLORD shall hold TENANT harmless from and indemnify TENANT against any damage, loss, expense, response costs or liability, including consultant fees and attorneys' fees, resulting from the presence of hazardous substances on, under or around the Property or resulting from hazardous substances being generated, stored, disposed of or transported to, on, under or around the Property as long as the hazardous substances were not generated, stored, disposed of or transported to, on, under or around the Property

L-605

by TENANT or its employees, agents or contractors. TENANT shall hold LANDLORD harmless from and indemnify LANDLORD against any damage, loss, expense, response costs or liability, including consultant fees and attorneys' fees, resulting from hazardous substances generated, stored, disposed of or transported to, on or under the Property as a result of TENANT's use of the Property. For purposes of this Agreement, "hazardous substances" shall mean (i) any substance which contains gasoline, diesel fuel or other petroleum hydrocarbons, (ii) any substance which is flammable, radioactive, corrosive or carcinogenic, (iii) any substance the presence of which on the Property causes or threatens to cause a nuisance or health hazard affecting human health, the environment, the property or property adjacent thereto, or (iv) any substance the presence of which on the property requires investigation or remediation under any hazardous substance law, as the same may hereafter be amended. "Hazardous Substance Law" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Emergency Planning and Community Right to Know Act (SARA Title III) 42 U.S.C. § 11001 et seq.; and any applicable state law or regulation.

19. Opportunity to Cure. If TENANT shall fail to pay any rental or other amounts payable under this Agreement when due, or if TENANT should fail to perform any other of the covenants, terms or conditions of this Agreement, prior to exercising any rights or remedies against TENANT on account thereof, LANDLORD shall first provide TENANT with written notice of the failure and provide TENANT with a thirty (30) day period to cure such failure (if the failure is a failure to pay rental or any other sum of money under this Agreement) or a sixty(60) day period to cure such failure (if the failure is a failure to perform any other covenant, term or condition of this Agreement). If the failure is not a failure to pay rental or any other sum of money hereunder but is not capable of being cured within a sixty (60) day period, TENANT shall be afforded a reasonable period of time to cure the failure provided that TENANT promptly commences curing the failure after the notice and prosecutes the cure to completion with due diligence.

20. Governing Law. This Agreement shall be governed and interpreted by, and construed in accordance with, the laws of the State in which the Property is located.

21. Notices. All notices hereunder must be in writing and shall be deemed validly given on the date when deposited in the United States mail, by certified mail, return receipt requested, addressed as follows (or to any other address that the party to be notified may have designated to the other party by like notice at least ten (10) days prior thereto):

TENANT: NTCH-Idaho, Inc., an Idaho Corporation
233 N Main St.
Pocatello, Idaho 83204

LANDLORD: City of Twin Falls
P.O. Box 1907
Twin Falls, ID 83303-1907

The parties may substitute recipient's names and addresses by giving notice as provided hereunder. Rejection or refusal to accept delivery of any notice, or the inability to deliver any notice because of a changed address of which no notice was given, shall be deemed to be receipt of any such notice.

22. Binding Effect. This Agreement shall extend to and bind the heirs, personal representatives, successors and assigns of LANDLORD and TENANT and shall constitute covenants running with the land.

23. Miscellaneous. This Agreement cannot be modified except by a written modification executed by LANDLORD and TENANT in the same manner as this Agreement is executed. The headings, captions and numbers in this Agreement are solely for convenience and shall not be considered in construing or interpreting any provision in this Agreement. Wherever appropriate in this Agreement, personal pronouns shall be deemed to include other genders and the singular to include the plural, if applicable. This Agreement contains all agreements, promises and understandings between the LANDLORD and TENANT, and no verbal or oral agreements, promises, statements, assertions or representations by LANDLORD or TENANT or any employees, agents, contractors or other representations of either, shall be binding upon LANDLORD or TENANT. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which shall constitute the same agreement. At the request of TENANT, LANDLORD agrees to execute a memorandum or short form of this Agreement in recordable form, attached hereto, setting forth a description of the Property, the term of this Agreement and other information desired by TENANT for the purpose of giving public notice thereof to third parties.

24. Confidentiality. LANDLORD agrees that all terms of this Agreement, and any information furnished to LANDLORD by TENANT in connection with this Agreement, shall be and remain confidential. LANDLORD shall not disclose any such terms or information without the prior written consent of TENANT.

25. Survival. The provisions hereof, which by their nature are continuing, shall continue to bind the parties beyond any termination hereof.

26. Addendum. If LANDLORD and TENANT have agreed to amend any of the foregoing terms of this Agreement by the attached Addendum Lease Agreement, the LANDLORD's initials appear here [SL], the TENANT's initials appear here [SL], and the attached Addendum to Lease Agreement is incorporated herein and made a part hereof by this reference.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day first above written.

LANDLORD:

By: Elaine S. Steele
Name: Elaine S. Steele
Title: Mayor

Attest: Jody Hall
Name: Jody Hall
Title: Deputy City Clerk

LANDLORD NOTARY BLOCK (INDIVIDUAL):

STATE OF Idaho
COUNTY OF Twin Falls

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named Elaine S. Steele, who acknowledged that s/he did sign the foregoing instrument and that the same is the free act and deed of said Individual.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at City Hall, Twin Falls, ID.
this 18 day of July, 2001.

My commission expires: 8-01-02

Lois Rader
Notary Public

L605

TENANT:

NTCH-Idaho, Inc. an Idaho Corporation

By: [Signature]
Name: Harry L. Curry
Title: Pres NTCH-Idaho, Inc.
Attest: _____
Name: _____
Title: _____

TENANT NOTARY BLOCK:

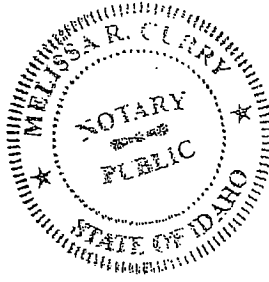
STATE OF Idaho

COUNTY OF Burnett

Melissa Curry, Notary Public for said County and State, do hereby certify that Harry L. Curry personally known to me to be the President of NTCH-Idaho, Inc. an Idaho Corporation and personally known to me to be the same persons whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President he signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Bozelle, Id.
This 24 day of July, 2001.

My commission expires:
10/31/02



[Signature]
Notary Public

L-1005

ADDENDUM TO
LEASE AGREEMENT

BETWEEN City of Twin Falls, as LANDLORD,
And NTCH-Idaho, Inc., an Idaho Corporation as TENANT
DATED June 12, 2001

LANDLORD and TENANT hereby agree that the terms and conditions of the Agreement are hereby supplemented and/or amended as follows:

Scope of Work

NTCH-Idaho, Inc. will:

1. Install a new 100' monopole including concrete foundation.
2. Trench, remove and backfill existing soils as necessary to install the pole foundation, as well as underground power and telephone conduits to the pole and radio equipment.
3. Install power and telephone wiring and cabling to the radio equipment and antenna. It is intended that Idaho Power will place a new meter for the electrical service required to operate the site equipment. Any utility installation and power usage fees related to the antenna facility will be borne by NTCH-Idaho, Inc.
4. Enclose an area as indicated on the attached proposed site plans. The enclosure will be accomplished through the installation of chain link fencing on the east, west and north sides of the lease space. The existing fencing will provide closure on the south side. A gate will be installed in the north side of the chain link fencing to provide access for the maintenance crew.
5. The antenna array would be placed at the top of the new metal pole and would project no further than 18" from the face of the pole in accordance with Ordinance No. 2678.
6. Install a concrete slab to serve as an equipment pad. The radio equipment is housed in metal cabinets similar to electrical transformer boxes or telephone equipment pedestals although typical taller, wider and longer.
7. Install cabling (wiring) from the antenna array to the radio equipment. The cable is largely concealed within the monopole on its path from the array to the equipment.
8. The construction crews will clean up and haul all debris generated from the work.

LANDLORD's initials: ES

TENANT's initials: JE

Site No TF 103

2-665

**ADDENDUM TO
LEASE AGREEMENT (page 2)**

**BETWEEN City of Twin Falls, as LANDLORD,
And NTCH-Idaho, Inc., an Idaho Corporation as TENANT
DATED June 12, 2001**

Safety Issues and Guidelines

1. Construction Access. Vehicular access to the construction area is necessary. Typical traffic is anticipated to be 1 or 2 crew work trucks. Atypical traffic will be a backhoe, a reinforcing steel delivery truck, ready-mixed concrete truck for the foundation, the tower delivery truck, and the crane to erect the tower. NTCH-Idaho Inc. will use existing accesses to the booster station yard.
2. Staging area. The existing yard space will be necessary to stage construction materials and equipment. The deliveries and installation would be scheduled to accommodate any activities by the City of Twin Falls at this facility. Risk of damage to existing installations or injury to the public would be minimal.
3. Construction Fencing and Barricades. Temporary construction barricading will be used to enclose any staging and work areas, as necessary for safety. No interference with access to the yard or booster station is anticipated except for the period of trenching and installation of underground conduits and some phases of the installation.
4. Trenches. No trenches will be left uncovered, if unattended.
5. Climbing. No climbing pegs, ladders or cables will be installed below 15' to prevent unauthorized climbing of the metal pole.

Construction Schedule

Approximately 4 weeks would be required for the construction process. Work would be conducted during daylight hours. NTCH-Idaho, Inc. would like the option for construction crews to have access to work on the weekends, as well. All coordination of work and deliveries is by NTCH-Idaho, Inc. with notification to the City of Twin Falls representative designated to oversee this project.

Equipment Maintenance

1. The radio equipment facility needs to be accessible 24 hours per day, 7 days per week, 365 days per year in case of equipment failure or maintenance.
2. Maintenance crews are likely to visit the facility no more frequently than every two months.
3. For regular equipment maintenance, notification to and/or scheduling with the City of Twin Falls staff could be provided.

LANDLORD's initials: ES

TENANT's initials: JR

Site No TF 103

L-605

ADDENDUM TO
LEASE AGREEMENT (page 3)

BETWEEN City of Twin Falls, as LANDLORD,
And NTCH-Idaho, Inc., an Idaho Corporation as TENANT
DATED June 12, 2001

Remedial Activities

Existing conditions affected by construction activities will be returned as closely as practical to the pre-construction condition.

Exclusions

Any improvements other than those necessary for the installation and operation of the antenna facility.

Effect on Adjoining Property

The proposed use would not adversely affect surrounding properties. The use will not create waste, noise, or smell. No new parking areas will be required.

Any capitalized term used in this Addendum and not otherwise defined herein shall have the meaning given such term in the Agreement. In the event of any conflict between the Agreement (without this Addendum) and this Addendum, this Addendum shall control.

LANDLORD's initials: TS

TENANT's initials: JC

[This Addendum page to remain in lease even if not used]

Site No TF 103

L-605

EXHIBIT A

(Description of the Leased Property)

Part of Lot 6 Block 3 of the Ripley Subdivision to the City of Twin Falls, also being in the NW 1/4 of Section 23, Township 10 South, Range 17 East, B.M., Twin Falls County Idaho described as: (Basis of bearing being the Idaho Coordinate System)

Beginning at a point that is S 89°33'05" E 116.53 feet and N 0°02'46" E 1.01 feet from the SW corner of said Lot 6 and running thence N 0°36'46" E 24.97 feet; thence S 89°32'31" E 39.93 feet; thence S 0°30'38" W 25.04 feet; thence N 89°26'53" W 39.98 feet to the point of beginning.

Parcel contains 1,000 square feet together with a 15 foot wide access and utility easement being 7.5 feet both sides of the following described centerline:

Beginning at a point that is N 89°33'06" W 7.50 feet from the SE corner of Lot 6 Block 3 of the Ripley Subdivision to the City of Twin Falls, said point being on the North line of Eldridge Avenue and running thence N 0°02'46" E 191.72 feet along the centerline of said easement; thence N 89°57'14" W 54.67 feet; thence S 00°02'46" W. 7.50 feet along said centerline to the end of said easement.

LANDLORD's initials

ESS

TENANT's initials

JK

Site No TF 103

L-605

EXHIBIT A-1

(Description of the Easement)

Parcel contains 1,000 square feet together with a 15 foot wide access and utility easement being 7.5 feet both sides of the following described centerline:

Beginning at a point that is N 89°33'06" W 7.50 feet from the SE corner of Lot 6 Block 3 of the Ripley Subdivision to the City of Twin Falls, said point being on the North line of Eldridge Avenue and running thence N 0°02'46" E 191.72 feet along the centerline of said easement; thence N 89°57'14" W 54.67 feet; thence S 00°02'46" W. 7.50 feet along said centerline to the end of said easement.

LANDLORD's initials

LS

TENANT's initials

JC

Site No TF 103

L-605

EXHIBIT B

List all Deeds to Secure Debts, Mortgages, Liens or Judgments encumbering the Property.

If none, please state none.

Debts: None

Lender:

Loan Officer Name and Telephone:

Loan Number:

Liens: None

Judgments: None

LANDLORD's initials ES

TENANT's initials JC

Site No TF 103

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EXHIBIT C

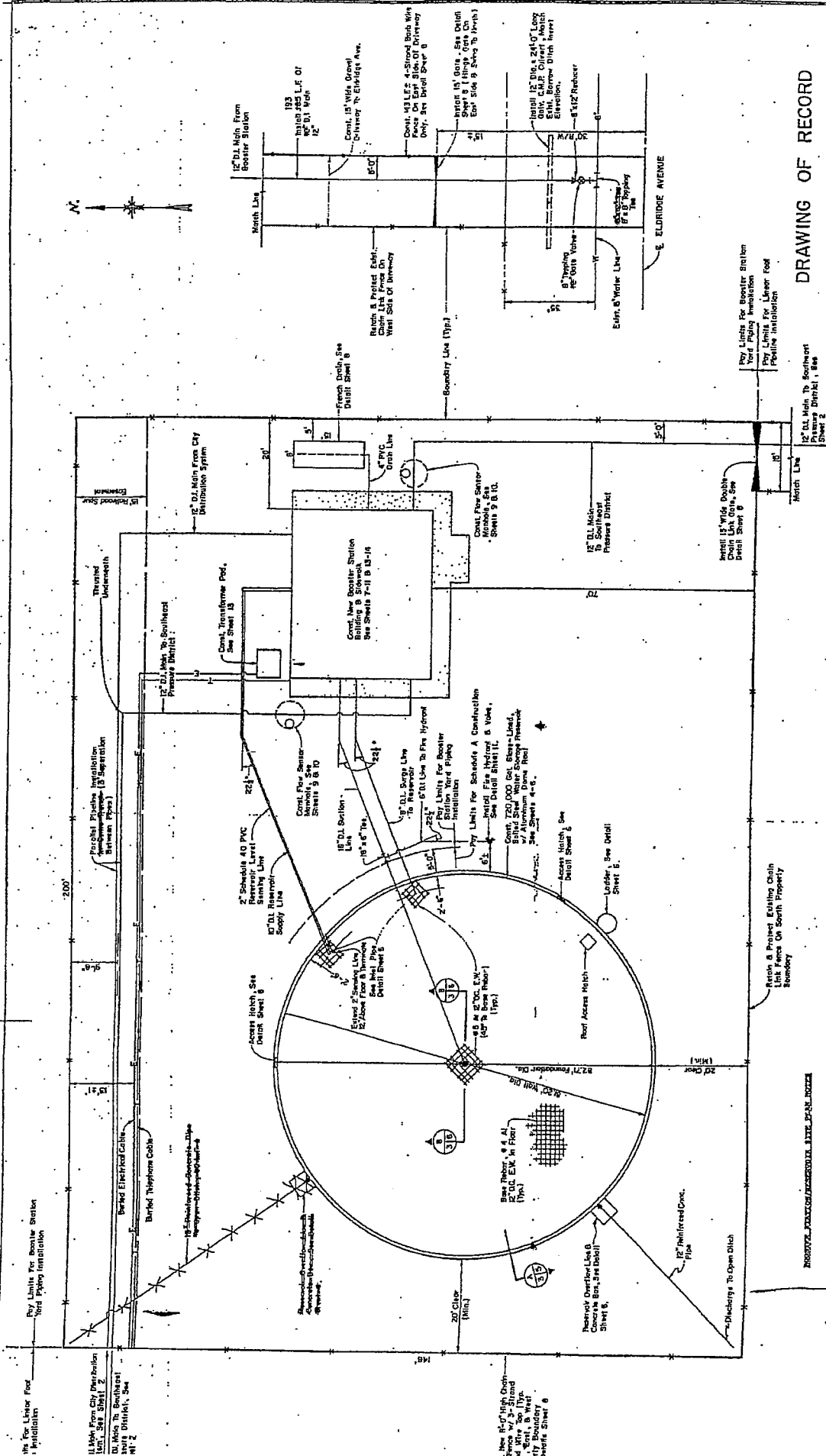
Legal Description and Survey of the Leased Property (attached).

LANDLORD's initials LS

TENANT's initials JC

Site No TF 103

L-605



DRAWING OF RECORD

1986 SOUTHEAST WATER SYSTEM
IMPROVEMENT PROJECT
CITY OF TWIN FALLS, IDAHO

STORAGE RESERVOIR & BOOSTER STATION SITE PLAN

J-L-B ENGINEERS, INC.
Engineers
Twin Falls, Idaho

SCALE: 1" = 10'

DATE: OCTOBER, 1986

REUSE OF DRAWINGS

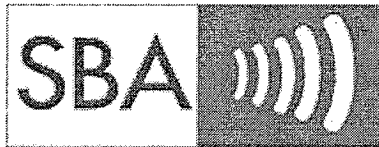
These drawings, or any portion thereof, shall not be used for any project or extension of this project without the written consent of J-L-B ENGINEERS, INC.

- See Sheet 8 for chain link fence and bush wire fence.
- All yard piping to be ductile iron unless otherwise noted.
- Excavation from piping shall be Class III or better.
- Excavation area and driveway shall be compacted with a minimum of 3" of 3/4" minimum crushed aggregate.
- All ductile iron yard water piping shall have a minimum 4' J/T' bury.
- See 3" PVC reservoir manhole line shall have a minimum 3' bury.

Existing Survey

L-605

January 18, 2008



City of Twin Falls
c/o The Honorable Lance W. Clow, Mayor
321 2nd Avenue East
Twin Falls, ID 83301

Re: SBA Site ID #: ID10549-A; SBA Site Name: Tank 1, ID
Site Address: 2287 Eldridge
Twin Falls, ID 83301

Dear Lessor:

SBA Towers II LLC is pleased to announce its recent acquisition of the communication tower in connection with the above-noted lease, which was previously owned by NTCH Idaho, Inc.. A Bill of Sale and Assignment is enclosed for your records as proof of this transaction.

Effective immediately, all rental payments related to this lease will now be issued by SBA. Please complete the enclosed W-9 form and return it in the envelope provided to the address below. Failure to complete, sign and return the W-9 form may result in SBA garnishing a portion of your rent due to IRS requirements:

SBA Towers II LLC
5900 Broken Sound Parkway NW
Boca Raton, FL 33487-2797
Re: ID10549-A
Attn: Site Administration

We have also enclosed an *ACH Deposit Enrollment Authorization* form if you choose to have your checks directly deposited into one of your bank accounts.

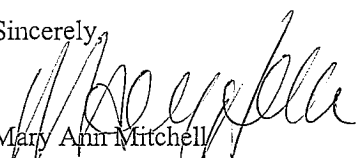
In addition, an original Certificate of Insurance, naming you as the certificate holder and additional insured will be sent to you directly from our insurance carrier for your file.

In the event of a tower operation emergency or if assistance is required to access the site, please contact our Network Operations Center, which is open 24 hours a day, 7 days a week, at 888-950-7483. SBA's Regional Site Manager for this tower is Doyle Ball who can be reached at (503)791-4395.

If you have any questions regarding this transaction, please contact Kelly McNulty, Site Administration Specialist, at 800-487-7483 x9537. If you have any questions regarding your rental payments, please contact Dionyious Sneed, Accounts Payable Specialist, at 800-487-7483 x9541.

We look forward to having a pleasant working relationship with you.

Sincerely,


Mary Ann Mitchell
Site Administration Specialist

Enclosures

BILL OF SALE AND ASSIGNMENT

THIS BILL OF SALE AND ASSIGNMENT ("Assignment") is made and entered into as of this 11 day of DECEMBER 2007 ("Transfer Date"), by NTCH IDAHO, INC., an Idaho corporation ("Assignor"), to SBA TOWERS II LLC, a Florida limited liability company ("Assignee").

Preliminary Statement:

Pursuant to that certain Purchase and Sale Agreement ("Purchase Agreement") dated as of October 8, 2007, by and between Assignor and Assignee, Assignor is selling and/or assigning to Assignee all of Assignor's interest in those certain thirty-nine (39) parcels of real property (the "Property") and improvements thereon, including but not limited to thirty-nine (39) communications towers or monopoles (collectively, the "Towers"), which Property is more particularly described on Exhibit "A" attached hereto. All capitalized terms not otherwise defined in this Assignment shall have the meaning ascribed thereto in the Purchase Agreement.

Assignor desires to convey and assign all of its right, title and interest in and to the Personal Property, the Tenant Leases and the Security Deposits to Assignee as of Transfer Date.

In consideration of the mutual covenants contained in this Assignment, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. SALE OF PERSONAL PROPERTY. Assignor hereby conveys, sells, transfers and delivers to Assignee, and its successors and assigns, all Tangible Personal Property and Intangible Personal Property owned by Seller and used in connection with the Property, including but not limited to the Towers and any appurtenances to or improvements located on the Property to the extent deemed personalty (collectively, "Personal Property"), except those items of personal property listed on Exhibit "B" attached hereto which are expressly excluded from the Personal Property. Assignor hereby warrants to Assignee, and its successors and assigns, that (a) Assignor is the lawful owner of the Personal Property, (b) the Personal Property is free from all encumbrances and (c) Assignor has good right to sell the Personal Property.

2. ASSIGNMENT. As of the Transfer Date, Assignor hereby assigns and transfers to Assignee, and its successors and assigns, all of Assignor's right, title, claim and interest in, to and under (a) the Tenant Leases with respect to the Property (including those identified on the Rent Roll attached hereto as Exhibit "C"); (b) all security deposits under such Tenant Leases (the "Security Deposits") (including those identified on the Rent Roll attached hereto as Exhibit "C"); (c) all rights to any unpaid rents or other payments under such Tenant Leases; and (d) all guarantees and other assurances with respect to such Tenant Leases (collectively, "Assigned Lease Interests"). Assignor will indemnify, defend and hold harmless Assignee, its successors and assigns and their respective

agents, employees, directors, officers and the Assigned Lease Interests from and against any claim, damage, loss, liability, obligation, demand, defense, judgment, suit, proceeding, disbursement or expense, including reasonable attorneys' fees or costs (including those related to appeals) of any nature whatsoever (collectively, "Losses and Liabilities"), arising out of or in any way related to the Assigned Lease Interests prior to the Transfer Date or which arise out of or are in any way related to the Assigned Lease Interests after the Transfer Date on account of any fact or circumstance occurring or existing prior to the Transfer Date.

3. ACCEPTANCE OF ASSIGNMENT. Assignee, as of the Transfer Date, hereby accepts the foregoing assignment and assumes all of the Assignor's obligations under the Assigned Lease Interests which arise or relate to the period after the Transfer Date, provided, however, Assignee only assumes the obligations with respect to the Security Deposits to the extent Assignee has received such Security Deposits from Assignor. Assignee will indemnify, defend and hold harmless Assignor, its successors and assigns and their representatives, agents, employees, directors and officers from and against any and all Losses and Liabilities arising out of or in any way related to the Assigned Lease Interests on and after the Transfer Date, except for Losses and Liabilities which arise out of or are in any way related to the Assigned Lease Interests after the Transfer Date on account of any fact or circumstance occurring or existing prior to the Transfer Date.

4. JURISDICTION AND VENUE. Any civil action or legal proceeding arising out of or relating to this Agreement brought by Assignor shall be brought in the courts of record of the State of Florida in Palm Beach County. Any civil action or legal proceeding arising out of or relating to this Agreement brought by Assignee shall be brought in the courts of record of the State of Idaho in Gooding County. Each party consents to the jurisdiction of such court in any such civil action or legal proceeding and waives any objection to the laying of venue of any such civil action or legal proceeding in such court. Service of any court paper may be effected on such party by mail, as provided in the Purchase Agreement, or in such other manner as may be provided under applicable laws, rules of procedure or local rules.

5. ATTORNEYS FEES AND COSTS. In the event of any litigation or arbitration arising out of this Assignment, the prevailing party will be entitled to recover all expenses and costs incurred in connection therewith, including reasonable attorneys' fees and costs.

6. BINDING EFFECT. This Assignment will be binding upon, and will inure to the benefit of, the Assignor, Assignee and their respective successors and assigns.

7. GOVERNING LAW. This Assignment will be governed by and construed and enforced in accordance with the internal laws of the State of Florida without regard to principles of conflicts of laws.

8. COUNTERPARTS. This Assignment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

9. PURCHASE AGREEMENT. Nothing contained in this Assignment will be deemed or construed as relieving the Assignor or Assignee of their respective duties and obligations under the Purchase Agreement.

[The remainder of this document intentionally left blank. Signatures to follow.]

THIS ASSIGNMENT has been executed by Assignor and Assignee on the Transfer Date.

Witnesses:

Adilia Aguilar
Print Name: ADILIA AGUILAR

Skyler Hunt
Print Name: Skyler Hunt

ASSIGNOR:

NTCH IDAHO, INC., an Idaho corporation

By: [Signature]
Name: GLENN ISHITANA
Title: CFO

ASSIGNEE:

SBA TOWERS II LLC, a Florida limited liability company

By: [Signature]
Thomas P. Hunt
Senior Vice President & General Counsel

Chuan Morales
Print Name: CHUAN MORALES

Nicole Pocchia
Print Name: NICOLE POCCHIA

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COMMUNICATIONS SITE LEASE AGREEMENT

THIS COMMUNICATIONS SITE LEASE AGREEMENT ("Lease") is entered into this 28th day of March, 2008 ("Effective Date"), by and between City of Twin Falls, an Idaho municipality, ("Owner"), and Alltel Communications, LLC, a Delaware corporation ("Tenant").

The parties hereto agree as follows:

1. Definitions. The following terms shall have the meanings indicated:

"Commencement Date" shall mean that date upon which Tenant notifies Owner that Tenant has elected to construct the Tower and Communications Facility.

"Communications Facility" shall mean towers, antennas, buildings, and other incidental uses.

"Easement" shall mean that certain real property described on the attached Exhibit "B".

"Government Approvals" shall mean all licenses and permits required for Tenant's Use of the Premises.

"Hazardous Materials" shall mean hazardous or toxic materials, wastes or substances, any pollutants, and/or contaminants, or any other similar substances or materials which are defined or identified as such in any federal, state or local laws, rules or regulations (whether now existing or hereinafter enacted) pertaining to environmental regulations, contamination, cleanup or any judicial or administrative interpretation of such laws, rules or regulations.

"Inspections" shall mean tests, borings, surveys, studies, inspections, and investigations of the Premises or Easement, and interviews of persons familiar with the Premises or the Easement, including, without limitation, tests of structures, wells, septic tanks, underground storage tanks, soils, geologic hazards, utility lines and systems and environmental hazards.

"Inspection Period" shall mean that period of time, which begins on the Effective Date and ends 12 months after the Effective Date.

"Premises" shall mean that certain real property described on the attached Exhibit "A"

"Tenant's Use" shall mean constructing, installing, maintaining, improving, and operating a Communications Facility on the Premises.

"Term" shall mean the initial term and any applicable renewal terms.

"Lighting Units" shall mean the field lights, frame and incidental lighting equipment and wiring utilized by the Owner for lighting the ball field.

"City Equipment" shall mean any communications equipment, including antennas, buildings or other incidental uses, installed on the Communications Facility owned by the City of Twin Falls.

2. The Premises. Subject to this Lease, Owner hereby leases to Tenant the Premises for Tenant's Use. Owner also grants to Tenant a non-exclusive easement during the Term of this Lease for ingress and egress and for the installation and transmission of utilities on and under the Easement. Tenant shall have unencumbered access to the Premises and the Easement 24 hours each day.

Upon completion of a survey in form and content satisfactory to Tenant, the description of the Premises and the description of the Easement shall be substituted for its respective description on Exhibit "A" and Exhibit "B" and, in the event of conflict, the description from the survey shall control.

Copy

3. Term.

(a) Initial Term. The initial term of this Lease shall commence on the Effective Date and expire Five (5) years after the Commencement Date, unless extended or sooner terminated in accordance with this Lease.

(b) Renewal Term. Tenant shall have the right to extend this Lease for Five (5) additional terms of Five (5) years each on the same terms and conditions as set forth in this Lease. Unless Tenant notifies Owner of its election not to exercise any renewal term at least 60 days prior to the expiration of the initial term or the current renewal term, each renewal term shall automatically be exercised without notice or other action of any kind by Tenant.

4. Inspection Period.

(a) During the Inspection Period, Tenant or Tenant's officers, employees, agents, or independent contractors may enter upon the Premises or the Easement for any lawful purpose, including, without limitation, to make Inspections. Tenant shall not unreasonably interfere with Owner's use of the Premises or the Easement while making the Inspections and shall repair damages, if any, to the Premises or the Easement caused by the Inspections. Owner agrees to cooperate with Tenant in obtaining, at Tenant's expense, all Government Approvals whether such Government Approvals are sought during the Inspection Period or otherwise during the Term.

(b) As consideration for the Inspection Period, Tenant shall pay Owner the sum of One-Hundred Dollars (\$100.00). Tenant may extend the Inspection Period for 6 months by paying the Owner the sum of One-Hundred Dollars (\$100.00). Payments made to Owner in accordance with this Section are non-refundable to Tenant but shall be applied as a credit to Tenant for future payments of rent.

(c) Tenant may, at Tenant's discretion and at any time during the Inspection Period, notify Owner of the Commencement Date. If Tenant does not notify Owner of the Commencement Date, this Lease shall automatically terminate at the end of the Inspection Period.

5. Rent.

(a) Beginning on the Commencement Date, Tenant shall pay Owner the sum of Eighteen-Thousand Dollars (\$18,000.00) as rental for the first three (3) years of the initial term. Upon the beginning of the fourth (4th) year of the initial term, Tenant shall pay Owner the sum of Five-Hundred Dollars (\$500.00) per month as rental and shall be payable on the first day of each month in advance at Owner's address or as otherwise specified by Owner and shall be prorated for any partial month at the commencement, expiration or earlier termination of this Lease, based upon the number of days in that month. At the beginning of the fifth (5th) year of the initial term, said rental shall be increased annually, upon the anniversary of the Commencement Date of this lease, by 3% over the Rent paid during the previous year.

(b) In the event of termination for any reason other than nonpayment of rent, all prepaid rent shall be refunded to Tenant.

6. Owner's Representations and Warranties. Owner represents and warrants the following:

(a) Tenant's Use is not prohibited by any covenant, restriction, subdivision rule or other contract;

(b) Tenant's Use is not prohibited by any easement, license, right of use or other encumbrance of the Premises or the Easement;

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- (c) The Premises and the Easement are free of Hazardous Materials as of the Effective Date;
- (d) Any use, storage, treatment or transportation of Hazardous Materials, which has occurred on the Premises or the Easement prior to the Effective Date has been in compliance with all applicable federal, state and local laws, regulations and ordinances;
- (e) Owner has the full right, power and authority to execute this Lease;
- (f) Owner has fee simple, marketable title to the Premises and the Easement free and clear of any liens, encumbrances, or mortgages which would interfere with Tenant's Use;
- (g) Tenant shall, during the Term, have the quiet enjoyment of the Premises and the Easement;
and
- (h) There are no brokerage commissions or finders' fees owed in connection with this Lease.

7. Improvements.

(a) Tenant shall, in Tenant's discretion design and construct the communications facility including the tower as appropriate to accommodate to tenant's equipment. Tenant shall, subject to approval of Owner, and in compliance with applicable ordinances, remove the existing light pole and lighting units. Tenant shall transfer Owner's Lighting Units from the existing Light Pole to the Tower, at no cost to Owner.

(b) The Communications Facility shall remain the exclusive property of Tenant until the termination or expiration of this Agreement. At such time, Tenant shall remove the Communications Facility or any portion thereof from the premises, excluding the Tower. Tenant shall transfer the Tower, via Bill of Sale, to the Owner. Upon the date of transfer of said Tower Tenant shall be fully and completely relieved of all liability, maintenance, and upkeep whatsoever associated therewith.

(c) Tenant and Owner acknowledge and agree as part of the consideration of this Agreement, at the sole cost of Tenant, Tenant shall remove a second, existing light pole, located to the Southeast of the Communications Facility and relocate it as depicted on the site plan drawing, Exhibit "C" attached hereto and made a part hereof. Tenant shall be responsible for proper alignment of lights on the new tower and lights on the second relocated light pole at the time of construction. Upon completion of relocation of said light pole Tenant shall be relieved from any and all maintenance, upkeep, improvement and liability whatsoever

(d) Tenant will use commercially reasonable efforts to install utilities on the Easement. If installation on the Easement is not possible, Owner agrees to cooperate with Tenant in executing additional easements or agreements, as required by applicable utility companies and which are necessary to protect Tenant's rights under this Lease or Tenant's Use of the Premises.

(e) Tenant shall not commence construction until such time as Owner directs and Owner shall permit construction as soon as reasonably possible. Construction shall not interfere with any scheduled baseball or other recreational activities.

8. Default. A default shall occur if either party shall fail to keep and perform any express written provision of this Lease and such failure shall continue for a period of 30 days after receipt of written notice, unless such failure cannot be cured within a period of 30 days and, prior to the expiration of 30 days after receipt of notice, the party failing to keep or perform the provision commences to eliminate such failure and proceeds diligently to take steps to cure the same. On the occurrence of default, the non-defaulting party may, without limitation, remedy the default and deduct the cost thereof from subsequent payments to the defaulting party or pursue any available remedies at law or in equity. In no event shall Owner be entitled to accelerate rent due from Tenant or to take possession of the Premises, the Communications Facility or other

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personal property owned by Tenant on the Premises. Both parties shall have the duty to use commercially reasonable efforts to mitigate damages in the event of default.

9. Interference. Owner shall not use, nor shall Owner permit the use of any portion of the Premises or the Easement or adjoining or proximate property of Owner in any way which interferes with Tenant's Use. If Owner violates this Section and the violation continues for 24 hours after Tenant has given Owner oral notice of such violation, Tenant may, beginning on the date of the violation, withhold rent payments until such violation is remedied.

10. Termination. Tenant may, without limiting rights otherwise set forth in this Lease or available at law or in equity, terminate this Lease without penalty or further liability, as follows:

- (a) Immediately during the Inspection Period for any reason or no reason;
- (b) After the Commencement Date, upon 6 months written notice to Owner for any reason or no reason;
- (c) Immediately if Tenant is unable to obtain or maintain any Government Approvals necessary for the construction and operation of the Communications Facility, Tower, or Tenant's Use;
- (d) Immediately if the Premises, Tower, or Communications Facility is damaged so as to, in Tenant's discretion, hinder Tenant's Use;
- (e) Immediately in the event that, in Tenant's discretion, interference, whether or not from Owner's activities or any other source, hinders Tenant's Use and which interference may not, in Tenant's discretion, be adequately corrected or eliminated by Tenant; and
- (f) Immediately if Hazardous Materials are discovered to exist on or under the Premises or the Easement.

11. Sublease and Assignment Tenant may, in its sole discretion, sublease or license the premises, tower or any portion thereof, to others. Tenant may assign this lease upon prior notice to Owners. Tenant's sublessees, licensees, or assignees shall be permitted the same rights granted to Tenant in accordance with this lease including, without limitation, ingress and egress to the Premises. Upon assignment, Tenant shall owe no further duties or obligation under this lease. Tenant may, upon notice to owner, mortgage or grant a security interest in this lease and the communications facility and tower any may assign this lease and the communications facility and tower to any such mortgagees or holders of security interests including their successors and assigns.

12. Taxes. Owner shall pay all real property taxes and all other fees and assessments attributable to the Premises and/or Tower when due. Tenant shall pay any personal property taxes assessed on, or any portion of such taxes attributable to, the Communications Facility.

13. Insurance. Tenant may, at Tenant's expense, purchase and maintain in full force and effect throughout the Term, such insurance policies as Tenant may deem necessary. Landlord shall have no interest in the proceeds of such insurance.

14. Condemnation. If a condemning authority takes, or acquires by deed in lieu of condemnation, all or a portion of the Premises or the Easement, this Lease shall, at the option of Tenant, terminate as of the date the title vests in the condemning authority. Owner and Tenant shall share in the condemnation proceeds in proportion to the values of their respective interests in the Premises (which for Tenant shall include, where applicable, the value of its Communications Facility, moving expenses, prepaid rent and business dislocation expenses). Should Tenant elect not to terminate this Lease, the rent due during the remainder of the Lease Term shall be reduced in proportion to the area taken, effective on the date physical possession is taken by the condemning authority.

15. Tenant's Environmental Matters. Tenant shall comply with all applicable federal, state and local laws, regulations and ordinances applicable to Hazardous Materials. Tenant shall not use the Premises or the Easement for treatment, storage, transportation to or from, use or disposal of Hazardous Materials (other than petroleum products and stand by batteries containing sulfuric acid in electrolyte necessary for the operation of an emergency electrical generator to serve the Communications Facility). Tenant shall be responsible for any expense for compliance with the requirements of any federal, state or local laws, regulations or ordinances caused, directly or indirectly, by the activities of the Tenant or Tenant's agents, employees or contractors.

16. Hold Harmless.

- (a) Owner agrees to defend, indemnify, protect and hold harmless Tenant and Tenant's officers, directors, employees, shareholders, successors, assigns, agents, affiliates, representatives, partners, and contractors from and against any and all claims, actions, administrative proceedings (including, without limitation, informal proceedings), judgments, damages, penalties, fines, costs, liabilities, interests, or losses, including, without limitation, reasonable attorneys' fees and expenses, consultant fees, and expert fees, together with all other costs and expenses of any kind or nature suffered by or asserted against Tenant as a result of Owner's use or occupancy of the Premises or the Easement, or from Owner's performance or failure to perform under this Lease, or from the breach of any of Owner's representations or warranties herein. This indemnification shall include, without limitation, all claims, damages and expenses arising during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials on or under the Premises or Easement (including, without limitation, any Hazardous Materials which flow, diffuse, migrate or percolate into, onto or under the Premises or the Easement after the Effective Date), unless such Hazardous Materials are present solely as the result of the negligence or willful misconduct of Tenant.
- (b) Tenant agrees to defend, indemnify, protect and hold harmless Owner and Owner's officers, directors, employees, shareholders, successors, assigns, agents, affiliates, representatives, partners, and contractors from and against any and all claims, actions, administrative proceedings (including, without limitation, informal proceedings), judgments, damages, penalties, fines, costs, liabilities, interests, or losses, including, without limitation, reasonable attorneys' fees and expenses, consultant fees, and expert fees, together with all other costs and expenses of any kind or nature suffered by or asserted against Owner as a result of Tenant's use or occupancy of the Premises or the Easement, or from Tenant's performance or failure to perform under this Lease, or from the breach of any of Tenant's representations or warranties herein. This indemnification shall include, without limitation, all claims, damages and expenses arising during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials on or under the Premises or Easement (including, without limitation, any Hazardous Materials which flow, diffuse, migrate or percolate into, onto or under the Premises or the Easement after the Effective Date), unless such Hazardous Materials are present solely as the result of the negligence or willful misconduct of Owner.

17. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, by registered or certified mail, or by nationally recognized overnight courier having a record of receipt to the addresses indicated below:

If to Owner:

City of Twin Falls
Parks and Recreation Department
Attn: Parks and Recreation Director
136 Maxwell Avenue
Twin Falls, ID 83301
Phone: (208) 736-2265
Tax ID: 82-6000270

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If to Tenant:

ALLTEL Communications, LLC
P.O. Box 2177
Little Rock, AR 72203-2177
Attn: Property Management Dept.
877-557-8226
501-905-6944 – Fax #

Hand Delivery Address:

ALLTEL Communications, LLC
One Allied Drive
Little Rock, AR 72202
Attn: Property Management Dept.

18. Waiver of Owner's Lien. Owner hereby waives any and all lien rights it may have, statutory or otherwise, in and to the Communications Facility or any portion thereof, regardless of whether or not same is deemed real or personal property under applicable laws.

19. Holding Over. In the event Tenant remains in possession of the Premises after the expiration of the Term without executing a new Lease, Tenant shall, subject to this Lease, occupy the Premises month-to-month. For such hold over period, Tenant shall pay the monthly rent which was applicable during the last month of the Term.

20. Waiver of Liability. Tenant shall not be responsible or liable to the Owner for any loss or damage arising from any claim to the extent attributable to (1) any acts or omissions of assignees, sublessees or licensees or any other person, entity, or enterprise occupying the communications facility or tower; (2) vandalism; (3) any structural or power failures; or (4) destruction or damage of the communications facility or tower. Under no circumstances shall Tenant be liable for any incidental, consequential, punitive or special damages of any nature whatsoever arising out of or in connection with this lease including, without limitation, lost profits or loss of business.

21. Miscellaneous.

(a) The prevailing party in any litigation arising under this Lease shall be entitled to its reasonable attorney's fees and court costs, including those incurred in any appeals.

(b) This Lease constitutes the entire agreement and understanding of Owner and Tenant, and supersedes all offers, negotiations and other agreements pertaining to the Premises and Easement. Any amendments to this Lease must be in writing and executed by Owner and Tenant.

(c) Owner and its successors or assigns shall cooperate with Tenant in executing any documents or tax forms Tenant deems necessary to protect Tenant's rights under this Lease or Tenant's use of the Premises. Tenant may record this Lease or a Memorandum of Lease executed by all parties and the cost of any recording fees shall be paid by Tenant.

(d) This Lease shall be construed in accordance with the laws of the state in which the Premises are located.

(e) All judicial proceedings to be brought with respect to this Lease shall be brought in Twin Falls County, Idaho, in a State or Federal Court of competent jurisdiction and each party accepts generally

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and unconditionally the exclusive jurisdiction of such a court and irrevocably waives any objection, including any objection to venue based upon forum non-conveniens, which either of them may now have or hereafter have to the bringing of any such proceeding with respect to this Lease.

(f) If any portion of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect unless the invalidity, in Tenant's discretion, hinders Tenant's Use or defeats the overall intent of the Lease.

(g) Each of the undersigned warrants that he or she has the full right, power, and authority to execute this Lease on behalf of the party indicated.

(h) This Lease shall run with the Premises and shall be binding upon and inure to the benefit of the parties, their respective heirs, successors, personal representatives and assigns.

(i) Each party agrees to furnish to the other, within 10 days after request, such estoppel information as the other may reasonably request.

22. Owner's Use of Tower

Owner and Tenant mutually agree as follows:

(a) Tenant shall install Lighting Units on the Tower between the seventy-foot (70') level and the ninety-foot (90') level, at Tenant's sole cost and expense, as referenced in Section 7 of this Agreement.

(b) Owner shall be fully responsible for any and all maintenance and upkeep related to the Lighting Units.

(c) Owner shall be required to obtain Tenant's prior written consent for any upgrades or changes to Owner's equipment installed on the Tower. Owner shall be responsible for the cost of any structural analysis or wind load testing required due to upgrades or changes as requested by Owner.

(d) Owner shall have the right to install City Equipment on the Communications Facility under the following conditions:

1. Upon Owner's completion of an Application and said Application being approved by Tenant, not to be unreasonably delayed or denied, attached as Ex. D.
2. Owner and Tenant executing a Tower Attachment Communications Site Lease Agreement, attached as Exhibit.

(Signature Pages Follow)
(Remainder of this page intentionally left blank)

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IN WITNESS WHEREOF, Owner has executed this Agreement as of the day and year first above written.

Signed, sealed, and delivered
in the presence of:

Kathleen A. Touchette

Unofficial Witness

OWNER: City of Twin Falls

By: [Signature]
Lance Clow

Title: Mayor, City of Twin Falls

Date: March 28, 2008

Kathleen A. Touchette
Notary Public

My Commission Expires: 10/2/09

(Affix Notary Seal)



Signed, sealed, and delivered
in the presence of:

Kathleen A. Touchette
Unofficial Witness

OWNER: City of Twin Falls

By: [Signature]
Leila Sanchez

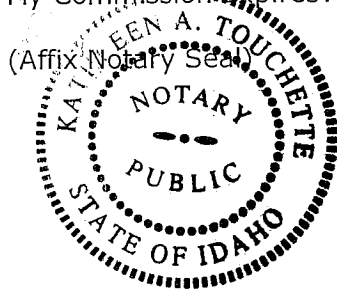
Title: Assistant City Clerk, City of Twin Falls

Date: March 28, 2008

Kathleen A. Touchette
Notary Public

My Commission Expires: 10-2-09

(Affix Notary Seal)



L-606

Rev. 1/10/06

IN WITNESS WHEREOF, Tenant has executed this Agreement as of the day and year first above written.

Signed, sealed, and delivered
in the presence of:

[Signature]
Unofficial Witness

TENANT: Alltel Communications, LLC

By: [Signature]
James E. McDonald

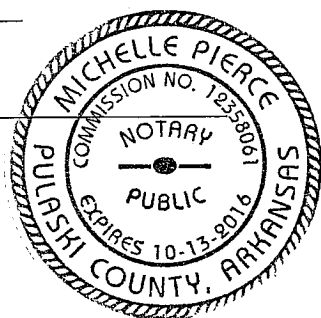
Title: Vice President - Network Services

Date: 3/19/08

[Signature]
Notary Public

My Commission Expires: _____

(Affix Notary Seal)



L-606

Rev. 1/10/06

EXHIBIT "A"

LEGAL DESCRIPTION
OF PREMISES

The property referred to herein as Premises is located within the parent parcel described as follows:

Deed Record No. 117 Twin Falls County

The North Half of the Northeast Quarter of the Southwest Quarter (N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section Fifteen (15), in Township Ten (10) South of Range Seventeen (17), East of the Boise Meridian, except an easement 25 feet wide along the east side of the above described land granted to Twin Falls Highway District for road purposes; together with all water and water rights appurtenant thereto represented by 20 shares of capital stock of the Twin Falls Canal Company, Limited.

The Premises are located generally as indicated in the sketch attached hereto as Exhibit "B" and the lease description is described as follows:

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence N 89°14'18" W 227.31 feet along the center line of Elizabeth Boulevard; thence S 00°45'42" W 98.43 feet to the Point of Beginning; thence S 90°00'00" E 25.00 feet; thence S 00°00'00" W 25.00 feet; thence N 90°00'00" W 25.00 feet; thence N 00°00'00" E 25.00 to the Point of Beginning.

Containing 625 square feet, more or less.

L-606

EXHIBIT "B"

LEGAL DESCRIPTION OF
EASEMENT

Access Easement Description

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

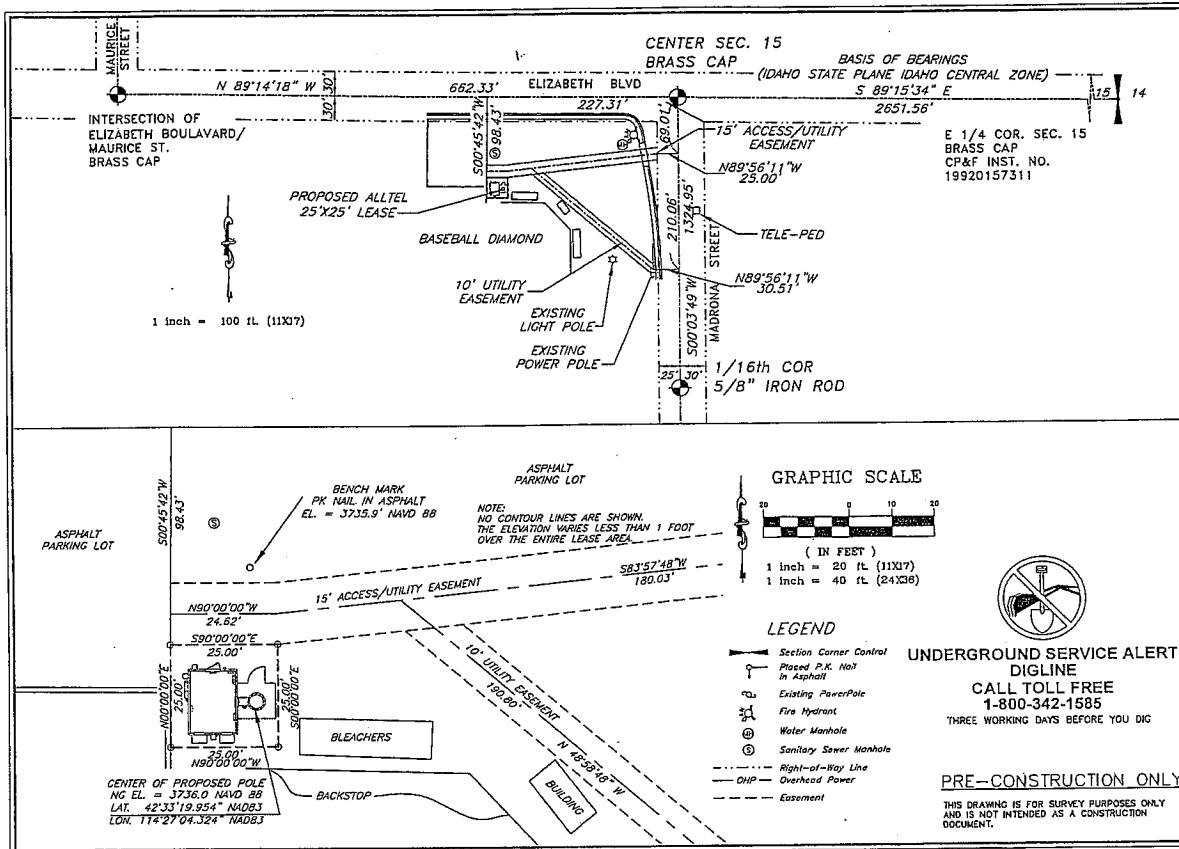
A 15 foot Access/Utility Easement that is 7.5 feet each side of the following described Centerline. Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence S 00°03'49" W 69.01 feet along the longitudinal centerline of Section 15; thence N 89°56'11" W 25.00 feet to the west Right-of-Way of Madrona Street, The Point of Beginning and running thence: S 83°57'48" W 180.03 feet thence N 90°00'00" W 24.62 feet to the Point of Terminus.

Utility Easement Description

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

Also a 10' Utility Easement that is 5 feet each side of the following described centerline: Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence S 00°03'49" W 210.06 feet along the longitudinal centerline of Section 15; thence N 89°56'11" W 30.51 feet to an Existing Power Pole, The Point of Beginning and running thence: N 48°58'48" W 190.80 feet to the Point of Terminus.

L-606



ASSOCIATED ENGINEERING, INC.
 157 NORTH MAIN ST.
 CLACKAMASH, OR 97030
 PH: (423) 289-5040
 FAX: (423) 289-5045
 A.E. PROJECT #1631-11

REGISTERED ENGINEER
 12233
 STATE OF IDAHO
 DAVID D. ROWELL

APPLICANT/OWNER:
Celltel
COMMUNICATIONS, INC.
 1800 EAST FIRST AVENUE
 SUITE 100
 DENVER, CO 80202-3770

APPROVALS:
 SJ DOR BBJ
 APPROVALS:
 ALLTEL PROJECT ENGINEER
 ALLTEL PROPERTY SPECIALIST
 OWNER

ALLTEL SITE NAME:
 ID05 BERRY PARK

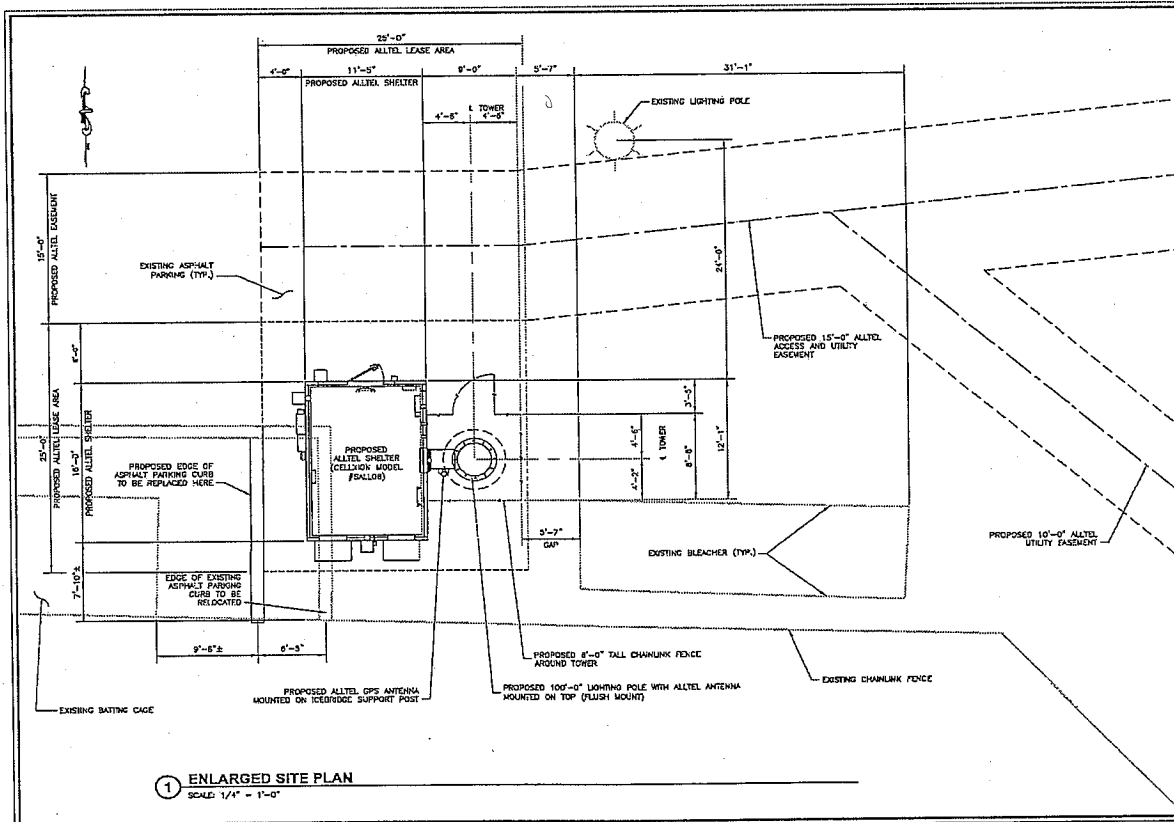
ALLTEL SITE NUMBER:
 XXXXXXXX

SUBMITTALS:
 REV. DATE DESCRIPTION
 1 1/12/07 PRELIMINARY
 2 5/21/07 FINAL
 3 12/18/07 HDVC SITE

DRAWING TITLE:
 SITE SURVEY

DRAWING NUMBER:
 SS-1

PROJECT NUMBER:
 XXXXXXXX



ASSOCIATED ENGINEERING, INC.
 157 NORTH MAIN ST.
 CLACKAMASH, OR 97030
 PH: (423) 289-5040
 FAX: (423) 289-5045
 A.E. PROJECT #1631-11

REGISTERED ENGINEER
 12350
 STATE OF IDAHO
 TOM HEDHI

APPLICANT/OWNER:
Celltel
COMMUNICATIONS, INC.
 2000 CONNER ROAD
 BELLINGHAM, WA 98201

APPROVALS:
 DW/AB ST TK
 APPROVALS:
 ALLTEL PROJECT ENGINEER
 ALLTEL PROPERTY SPECIALIST
 OWNER

ALLTEL SITE NAME:
 ID05 BERRY PARK

ALLTEL SITE ID:
 196424805

SUBMITTALS:
 0 12/27/07 100% CONST. DWGS
 0 12/27/07 90% CONST. DWGS
 0 11/22/07 50% CONST. DWGS
 REV. DATE DESCRIPTION

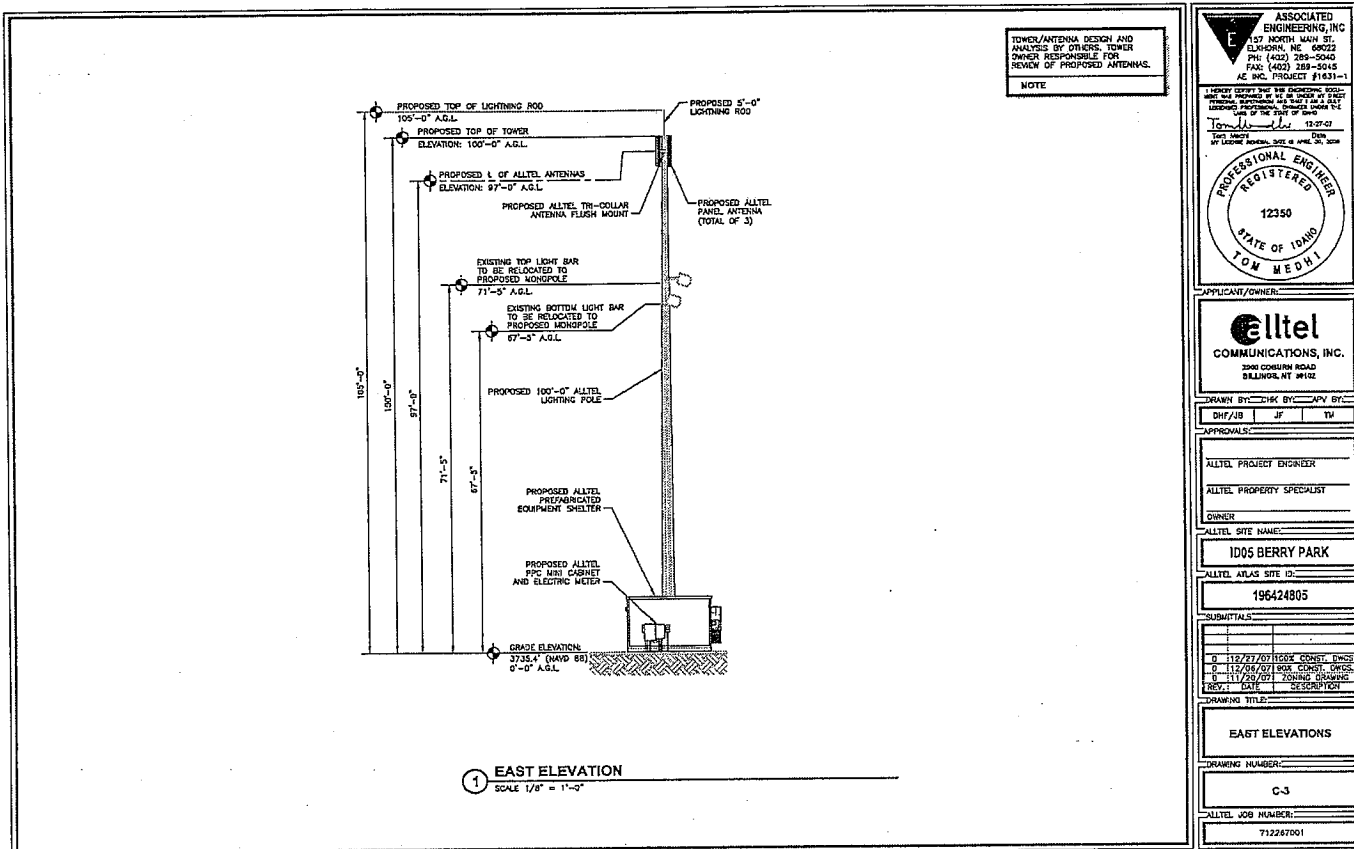
DRAWING TITLE:
 ENLARGED SITE PLAN

DRAWING NUMBER:
 C-2

ALLTEL JOB NUMBER:
 712257001

L606

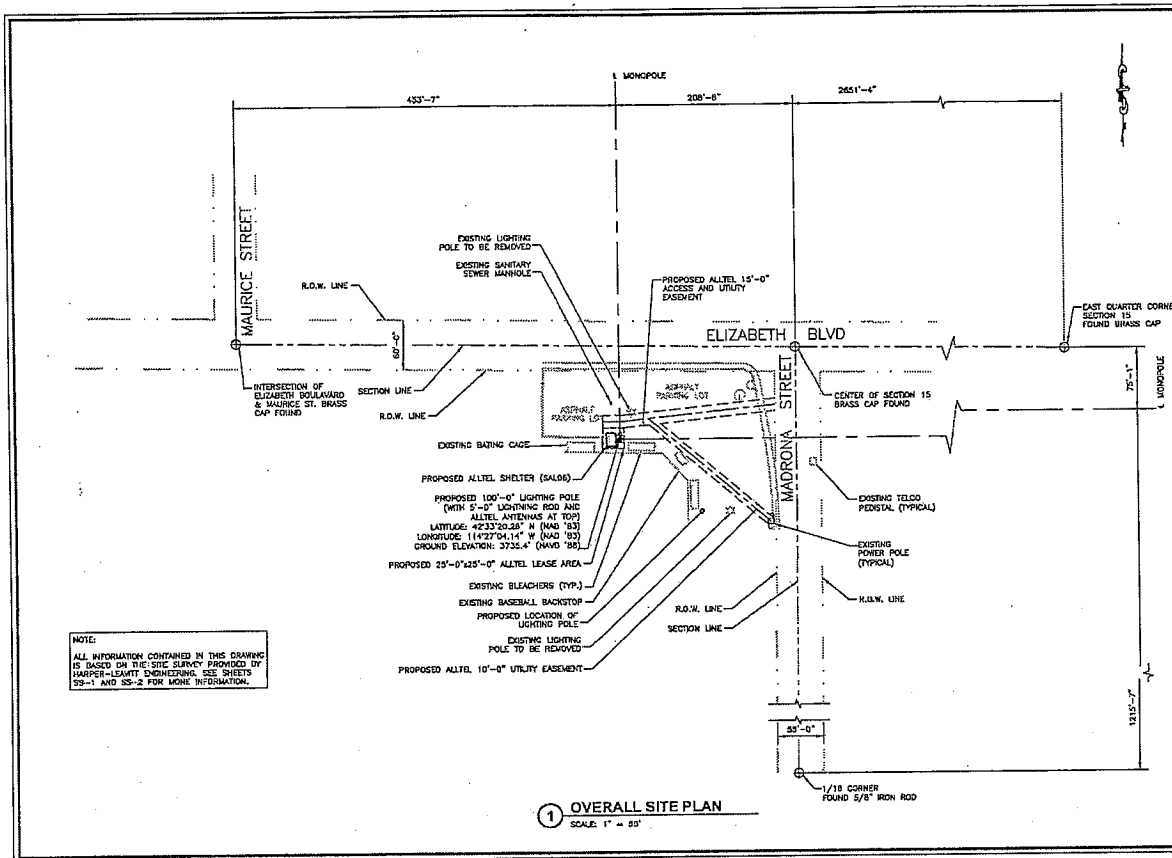
Rev. 1/10/06



L-606

Rev. 1/10/06

EXHIBIT "C" Relocation of Light Pole



ASSOCIATED ENGINEERING, INC. 157 NORTH MAIN ST. ELKHORN, NE 68022 PH: (402) 288-5040 FAX: (402) 288-5045 NE ENG. PROJECT #1831-1	
I HEREBY CERTIFY THAT THE DRAWING(S) HEREON WAS/WERE PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND THAT I AM A LICENSED PROFESSIONAL ENGINEER IN THE STATE OF NEBRASKA. DATE: 12-22-02 TITLE: PROJECT ENGINEER NAME: TOM MEDHI	
PROFESSIONAL ENGINEER REGISTERED 12350 STATE OF IOWA TOM MEDHI	
APPLICANT/OWNER: elltel COMMUNICATIONS, INC. 2000 GARDNER ROAD BILLINGS, MT 59102	
DRAWN BY: LMK, STY: APV, BT: DWF/JB, JT, TM	
APPROVALS: ALLTEL PROJECT ENGINEER ALLTEL PROPERTY SPECIALIST OWNER:	
ALLTEL SITE NAME: ID05 BERRY PARK	
ALLTEL ATLAS SITE ID: 196424805	
SUBMITTALS: 0 11/27/07/106K CONST. CHGS. 0 11/28/07/106K CONST. CHGS. 0 11/28/07/106K ZONING DRAWING REV. 1 DATE DESCRIPTION	
DRAWING TITLE: OVERALL SITE PLAN	
DRAWING NUMBER: C-1	
ALLTEL JOB NUMBER: 712257001	

L606

Rev. 1/10/06

EXHIBIT "D"
Collocation Application

L-606

Rev. 1/10/06

SUBLEASE - SITE LICENSE APPLICATION					
DATE: _____		Projected Installation Date: _____			
ALLTEL Mkt Contact: _____		<i>Office Use Only:</i>			
Phone Number: _____		Site: _____		State/Co#: _____	
		ATLAS ID: _____		Signature?: Yes/No _____	
				Feet: Yes/No _____	
				Attachments: Yes/No _____	
(DO NOT SEND APPLICATION BY E-MAIL OR FAX - MUST SEND SIGNED ORIGINAL VIA MAIL)					
ALLTEL Communications, Inc. c/o Sublease Application Administrator Property Management Department One Allied Drive Little Rock, AR 72202 TTN#: 71-0781583 Office Phone: 877/557-8226					
SITE INFORMATION					
ALL-TEL Site Name: _____		Customer Site Name: _____			
Address: _____		Tower Registration #: _____			
		Latitude: _____		Longitude: _____	
CUSTOMER INFORMATION					
Licensed Entity Name (Full Legal Name): _____		State of Incorporation: _____			
Notice Address: _____					
City: _____		State: _____		Zip: _____	
Contact Person: _____		**Phone Number** : _____			
<i>**Please list any other cc: addresses on a separate sheet**</i>					
Billing Address: _____					
City: _____		State: _____		Zip: _____	
Contact Person: _____		**Phone Number** : _____			
OTHER CONTACT INFORMATION					
	NAME	Phone#	Fax#	E-Mail	
Signatory:					
Signatory Title:					
Legal Representative:					
RF Engineer:					
Real Estate/Site Acq.:					
Emergency Contact:					
Project Engineer:					
GROUND SPACE					
Location of Equipment	Indoor Cabinets:	Outdoor Shelter or BTS:			
# of Equipment Shelters/BTS Cabinets:	Equipment Shelter/Cabinet/BTS Dimensions (HxWxD) (ft)				
Leased Grnd Space Dim (ft)	Concrete Pad Dimensions (W x D) (ft)				
Infrastructure Manufacturer/Model:	Power Provided By: _____				
Generator Requirements	Applicant Provided:	Other:			
Generator Description	Size (KW)	Tank Size:			
	Fuel Type:	Other:			

ALLTEL: 0 Address: _____ Carrier Name: _____

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Rev. 1/10/06

FREQUENCY INFORMATION / ANTENNA SPACE & EQUIPMENT				
ANTENNA TYPES	ANTENNA #1	ANTENNA #2	ANTENNA #3	ANTENNA #4
Antennas Quantity				
Receive or Transmit?				
Manufacturer				
Types				
Model Number				
Antenna Weight				
Dimensions				
Mounting Height				
RAD Center AGL				
Mount Type				
Direction of Radiation				
TX Frequency				
RX Frequency				
Receive Band of Frequencies				
Transmit Band of Frequencies				
Antenna Gain				
# Lines per Antenna				
Line Type				
Line Diameter				
BUILDING / SHELTER SPACE AND EQUIPMENT				
Licensors Building?		Licensee's Shelter?		
# of Cabinets:		# of Transmitters Per Cabinet:		
	Transmitter #1	Transmitter #2	Transmitter #3	Transmitter #4
Manufacturer				
Type & Model				
Type of Service				
Dimensions (HxWxD)				
Call Sign				
TX Frequency				
TX Power Output				
BUILDING / SHELTER SPACE AND EQUIPMENT				
RX Frequency				
ERP				
Actual Power Consumption (Amps/Volts)				
# of Outlets				
Combiner/# or Ports				
Cabinet Also Contains:				

****Please attach FCC license, equipment spec sheets and tower and site plan sketch***

ALLTEL: 0

Carrier Name:

SUBLEASING INFORMATION (FOR OFFICE USE ONLY)

Master / SLA:		Commencement Date:	
Initial Term Ending or Length of Initial Term:		# of Renewal Terms:	Length of Ren. Terms:
Automatic Renewal?	Yes / No	If not, how many days for notice?	

OPERATIONS INFORMATION			
Site Manager:		Height Approved:	
Structural Analysis:	Required? Yes / No	Requested? Yes / No	Failed? Yes / No

FEE SCHEDULE			
Base Rent Amount:		Monthly or Annual?	
Rent Escalator:	CPI? Y / N	Annually or at Renewal Term	% Amt if not by CPI
ALLTEL Comments (**Please indicate in this section if there are any changes to this application that was made / Notes: during the approval process such as height / ground space / number of antenna, etc. **)			
Market Approval Signature:		Title:	
ALLTEL Communications, Inc. (ACI) does require that you order a structural analysis of the tower to determine if the tower can support the applicant's proposed equipment. The applicant is responsible for and agrees to pay the costs of the analysis as well as any other costs or fees associated with this co-location request, including, but not limited to, application fee, FAA filing required, cost of prime lessor consent or approval, and cost of third party inspection after your construction is complete. ACI must approve any change or modification to any tower. Any costs associated with any tower modification will be the responsibility of the applicant and the applicant agrees to pay for all costs. All hardware required required to mount the requested antennas, coax, base station equipment and equipment cabinets will be provided by applicant, at applicant's costs, by the original manufacturer of the tower. Hardware not approved by the tower vendor will not be allowed. ACI will have final approval of any vendor used for installation, construction or tower modification work. Applicant will furnish for the approval of ACI, all installation, construction of tower-modification documents. ACI will have the right to perform a final inspection of any work performed and will have the right to require punch list corrections. ACI will review the site grounding and will provide the final decision of how applicant's facility will tie into the existing site grounding system so as not to impact ACI's operations. ACI may, if applicable, require a post-construction site inspection and testing of the grounding system. Any cost associated therewith will be the responsibility of the applicant. Applicant is responsible for and agrees to pay all costs associated with securing all applicable permit approvals required for applicant's proposed operations. Applicant must provide ACI with copies of all permit approvals prior to ACI's approval of and the commencement of any work associated with any approved co-location. Completion and execution of this application by applicant and/or payment of any cost or fees associated therewith does not constitute acceptance of or approval by ALLTEL Communications, Inc. Acceptance of this application and approval of any agreement resulting therefrom is at the sole discretion of ALLTEL Communications, Inc.			

Signature

Date:

Rev. 1/10/06

ALLTEL COMMUNICATIONS, INC.

Property Management
One Allied Drive
P.O. Box 2177
Little Rock, AR 72203-2177



Michelle Pierce, Lease Coordinator
(501) 905-0539 office
(501) 905-6944 fax
michelle.pierce@alltel.com

Melissa Schneider, Senior Contract Specialist
(501) 905-7062 office
(501) 905-6944 fax
melissa.schneider@alltel.com

March 24, 2008

UPS
208-736-2265

City of Twin Falls
Parks & Recreation Dept.
Attn: Director
136 Maxwell Avenue
Twin Falls, ID 83301

RE: Communications Site Lease Agreement between the City of Twin Falls, ("Owner") and Alltel Communications, LLC ("Tenant").

Dear Director,

Enclosed are four original, partially executed Communications Site Lease Agreements. Please present to your signatory officer and return one original, fully executed Agreement to my attention in the enclosed envelope provided for your convenience.

Should you have any questions, please contact Melissa Schneider at the telephone number referenced above. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Michelle Pierce'.

Michelle Pierce
Lease Coordinator

Enclosures: Four Agreements

cc: Terri Dolezal

Lance
These are the
agreements for the
alltel tower site at
Harman Park. It was
approved by Council
months ago
Tom

L-606

This Document Prepared By:
ALLTEL Communications, Inc.
One Allied Drive, P.O. Box 2177
Little Rock, AR 72202
Attn: Property Management Department

MEMORANDUM OF LEASE

DO NOT DATE

This Memorandum of Lease ("Memorandum") is executed this 6th day of May, 2008 by and between City of Twin Falls, an Idaho municipality ("Owner") and Alltel Communications, LLC, a Delaware corporation (Tenant) and evidences that on the 28th day of March, 2008 a Communications Site Option and Land Lease Agreement was executed for the Property as that term is hereinafter defined.

1. **Lease Term.** The term of the Lease shall be five (5) years commencing on the 28th day of March, 2008 and terminating at midnight on the 27th day of March, 2013. Tenant has the right to extend the Lease for four (4) additional five year terms.

2. **Property.** Subject to the terms of the Lease, Owner has leased to Tenant the use of a portion of the real property described in Exhibit "A" attached hereto ("Property"), and Owner has granted Tenant an easement for ingress, egress and utilities over that property described in Exhibit "B" attached hereto ("Easement").

3. **Notices.** All notices, requests, demands, and other communications to the Owner or Tenant shall be made at the following addresses:

If to Owner, to: City of Twin Falls
Parks and Recreation Department
Attn: Parks and Recreation Director
136 Maxwell Avenue
Twin Falls, ID 83301
Phone: (208) 736-2265
Tax ID: 82-6000270

If to Tenant, to: ALLTEL Communications, Inc.
One Allied Drive
P.O. Box 2177
Little Rock, AR 72203
Attn: Property Management Department

IN WITNESS HEREOF, Owner and Tenant have executed this Memorandum of Lease Agreement as of the date and year first before listed.

Leila Sanchez
5-06-08

OWNER: City of Twin Falls

By: [Signature]

Lance Clow

Title: Mayor, City of Twin Falls

Date: 5-06-08

ATTEST:

Kathleen A. Touchette
5-6-08

OWNER: City of Twin Falls

By: [Signature]

Leila Sanchez

Title: Assistant City Clerk, City of Twin Falls

Date: 5-06-08

ACKNOWLEDGMENTS

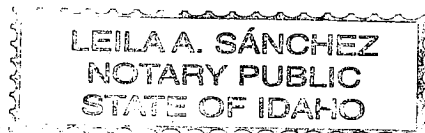
STATE OF Idaho
COUNTY OF Twin Falls

I, the undersigned, a Notary Public of the County and State aforesaid, certify that Lance W. Clow personally appeared before me this day and acknowledged that he/she is Mayor of City of Twin Falls, a municipality and that by authority duly given and as the act of the said municipality, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this 6th day of May, 2008.

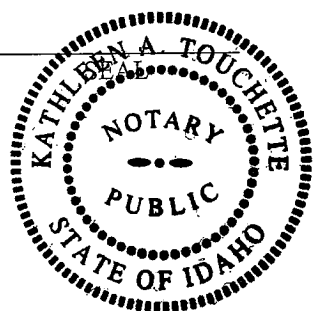
My Commission Expires: 5-18-2012

SEAL



ACKNOWLEDGMENTSTATE OF IDAHOCOUNTY OF TWIN FALLS

I, the undersigned, a Notary Public of the County and State aforesaid, certify that Leila A. Sanchez personally appeared before me this day and acknowledged that he/~~she~~ is Assistant City Clerk City of TWIN FALLS, a municipality and that by authority duly given and as the act of the said municipality, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this 6th day of May, 2008.My commission expires: 10/2/09Kathleen A. Touchette
Notary Public

Signed by
Michelle Schneider

TENANT: Alltel Communications, LLC

By: [Signature]

James E. McDonald

Title: Vice President - Network Services

Date: 4/24/08

Notary Public

STATE OF AR

COUNTY OF Pulaski

I, Michelle Pierce, a Notary Public of the County and State aforesaid, certify that James E. McDonald personally appeared before me this day and acknowledged that he/she is VP Network Services of Alltel Communications LLC, a Delaware corporation, and that by authority duly given and as the act of the said corporation, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this 24th day of April, 2008.

[Signature]
Notary Public

My Commission Expires: _____

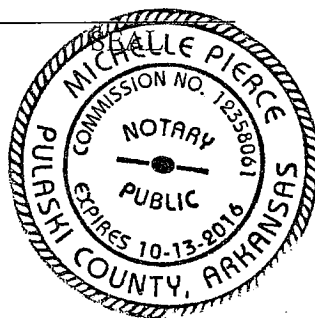


EXHIBIT "A"

LEGAL DESCRIPTION OF
THE PROPERTY

The property referred to herein as Premises is located within the parent parcel described as follows:

Deed Record No. 117 Twin Falls County

The North Half of the Northeast Quarter of the Southwest Quarter (N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section Fifteen (15), in Township Ten (10) South of Range Seventeen (17), East of the Boise Meridian, except an easement 25 feet wide along the east side of the above described land granted to Twin Falls Highway District for road purposes; together with all water and water rights appurtenant thereto represented by 20 shares of capital stock of the Twin Falls Canal Company, Limited.

The Premises are located generally as indicated in the sketch attached hereto as Exhibit "B" and the lease description is described as follows:

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence N 89°14'18" W 227.31 feet along the center line of Elizabeth Boulevard; thence S 00°45'42" W 98.43 feet to the Point of Beginning; thence S 90°00'00" E 25.00 feet; thence S 00°00'00" W 25.00 feet; thence N 90°00'00" W 25.00 feet; thence N 00°00'00" E 25.00 to the Point of Beginning.

Containing 625 square feet, more or less.

EXHIBIT "B"

LEGAL DESCRIPTION OF
THE EASEMENT

Access Easement Description

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

A 15 foot Access/Utility Easement that is 7.5 feet each side of the following described Centerline. Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence S 00°03'49" W 69.01 feet along the longitudinal centerline of Section 15; thence N 89°56'11" W 25.00 feet to the west Right-of-Way of Madrona Street, The Point of Beginning and running thence: S 83°57'48" W 180.03 feet thence N 90°00'00" W 24.62 feet to the Point of Terminus.

Utility Easement Description

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

Also a 10' Utility Easement that is 5 feet each side of the following described centerline: Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence S 00°03'49" W 210.06 feet along the longitudinal centerline of Section 15; thence N 89°56'11" W 30.51 feet to an Existing Power Pole, The Point of Beginning and running thence: N 48°58'48" W 190.80 feet to the Point of Terminus.

ALLTEL COMMUNICATIONS, INC.

Property Management
One Allied Drive
P.O. Box 2177
Little Rock, AR 72203-2177



Michelle Pierce, Lease Coordinator

(501) 905-0539 office

(501) 905-6944 fax

michelle.pierce@alltel.com

Melissa Schneider, Senior Contract Specialist

(501) 905-7062 office

(501) 905-6944 fax

melissa.schneider@alltel.com

April 25, 2008

UPS
208-736-2265

City of Twin Falls
Parks and Recreation Department
Attn: Parks and Recreation Director
136 Maxwell Avenue
Twin Falls, ID 83301

RE: *Communications Site Lease Agreement* between the City of Twin Falls ("Owner") and Alltel Communications, LLC ("Tenant").

Alltel Ref: ID, ~~Berry Park~~ *Harmon Park*

Dear Director,

Enclosed are two partially executed Memorandum of Lease documents. Please present to your signatory officer for full execution and return both fully executed Memorandums to my attention in the enclosed prepaid envelope.

Should you have any questions, please contact me at the telephone number referenced above. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Michelle Pierce'.

Michelle Pierce
Lease Coordinator

Enclosures: (2) MOLs

ID, Berry Park

Alltel Communications, LLC
Property Management Department
Building II, Floor 2-A, One Allied Drive
Little Rock, AR 72202
501-905-7062



Notice to Construct Communications Facility

RE: Alltel Site Reference: ID Berry Park
Communications Site Lease Agreement dated March 28, 2008 by and between City of Twin Falls and Alltel Communications, LLC

Pursuant to Section One (1) of the above referenced Agreement, this letter serves as notification that Alltel Communications, LLC has completed its due diligence and testing during the Inspection Period granted under the Agreement and determined your property suitable for Alltel's use as a telecommunications site.

Alltel Communications, LLC hereby commences the Agreement effective **June 15, 2008** which date shall be considered the "Commencement Date", as defined in Section One (1) of the Agreement.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. McDonald', is written over the printed name and title.

James E. McDonald
Vice President, Network Services
Alltel Communications, LLC

ALLTEL COMMUNICATIONS, INC.

Property Management
One Allied Drive
P.O. Box 2177
Little Rock, AR 72203-2177



Michelle Pierce, Lease Coordinator

(501) 905-0539 office
(501) 905-6944 fax
michelle.pierce@alltel.com

Melissa Schneider, Senior Contract Specialist

(501) 905-7062 office
(501) 905-6944 fax
melissa.schneider@alltel.com

June 13, 2008

UPS
208-736-2265

City of Twin Falls
Parks & Recreation Dept.
Attn: Director
136 Maxwell Avenue
Twin Falls, ID 83301

RE: Communications Site Lease Agreement, between City of Twin Falls, ("Owner") and Alltel Communications, LLC, ("Tenant").

Dear Director,

The commencement date of this agreement shall be June 15, 2008. Please replace Exhibit A and Exhibit B from the original lease agreement sent to you with the corrected copies enclosed. A copy of the survey has also been included for your records. Enclosed is Alltel check number 2525962 in the amount of seventeen thousand nine hundred dollars and zero cents (\$17,900.00), which represents the one time rental payment for June 15, 2008 through June 14, 2011. Per Section 4(b) of the agreement, the Inspection Period fee in the amount of \$100.00 has been applied as credit to your initial rental payment.

If you should have any questions about your lease payment, please contact me at 501.905.0539, for questions regarding your lease, please contact Melissa Schneider at 501.905.7062.

Thank you,



Michelle Pierce
Lease Coordinator

Enclosures: Check #2525962
Exhibits A & B

cc: Terri Dolezal

ID, Berry Park

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PREMISES

LEASE SITE DESCRIPTION

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence N 89°14'18" W 227.31 feet along the center line of Elizabeth Boulevard; thence S 00°45'42" W 98.43 feet to the Point of Beginning; thence S 90°00'00" E 25.00 feet; thence S 00°00'00" W 25.00 feet; thence N 90°00'00" W 25.00 feet; thence N 00°00'00" E 25.00 to the Point of Beginning.

Containing 625 square feet, more or less.

EXHIBIT "B"

LEGAL DESCRIPTION OF THE EASEMENT

ACCESS EASEMENT DESCRIPTION

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

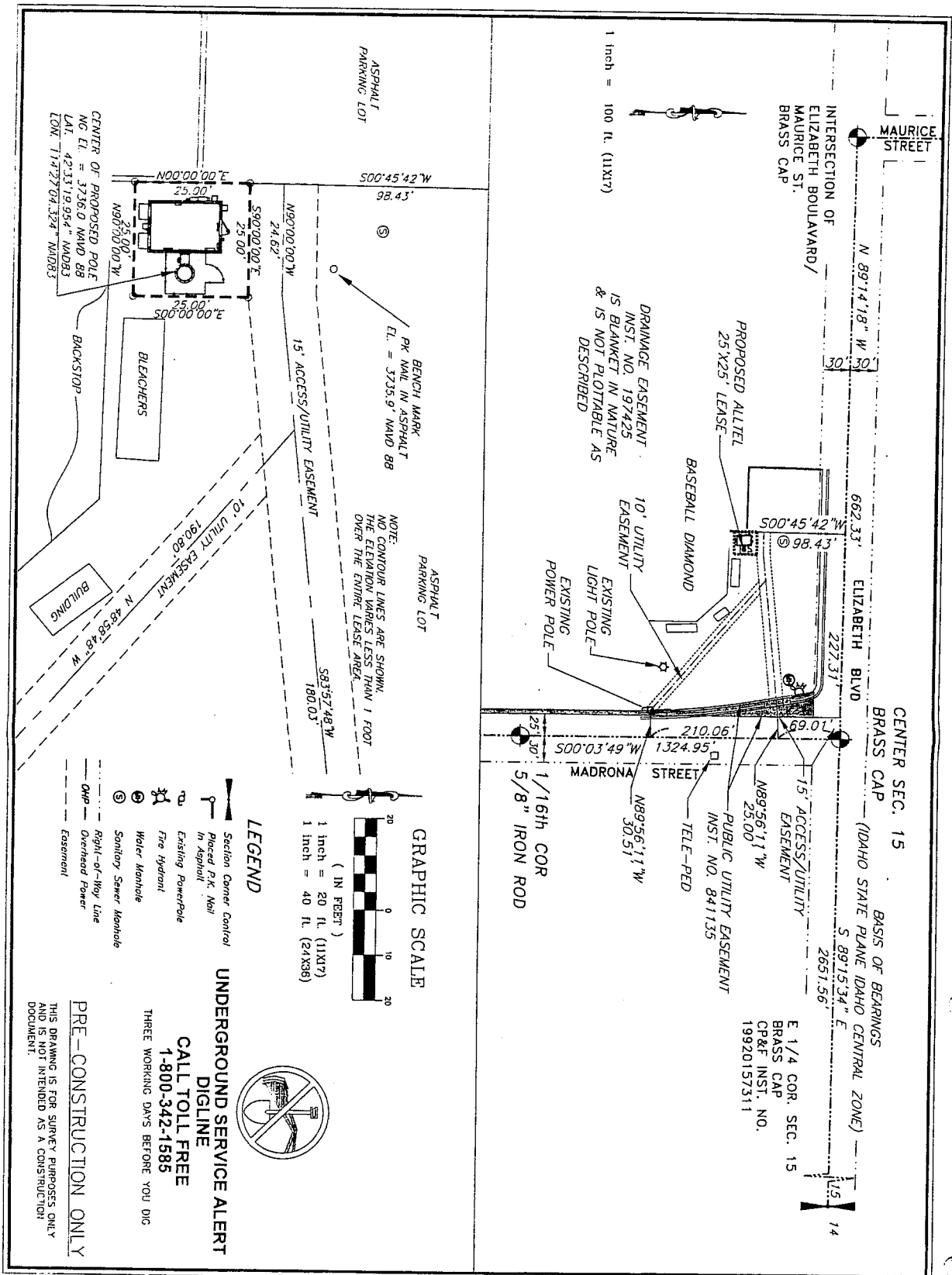
A 15 foot Access/Utility Easement that is 7.5 feet each side of the following described Centerline. Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence S 00°03'49" W 69.01 feet along the longitudinal centerline of Section 15; thence N 89°56'11" W 25.00 feet to the west Right-of-Way of Madrona Street, The Point of Beginning and running thence: S 83°57'48" W 179.90 feet thence N 90°00'00" W 24.62 feet to the Point of Terminus.

UTILITY EASEMENT DESCRIPTION

UTILITY EASEMENTS FOR POWER AND TELCO ARE BEING COORDINATED WITH RESPECTIVE PROVIDER(S).

Part of the NE 1/4 of the SW 1/4 of Section 15 Township 10 S., Range 17 E.B.M., Twin Falls County Idaho described as:

Also a 10' Utility Easement that is 5 feet each side of the following described centerline: Commencing at the E 1/4 corner of said Section 15, thence N 89°15'34" W 2651.56 feet along the latitudinal center section line of said section 15 to the Center of Section 15; thence S 00°03'49" W 210.06 feet along the longitudinal centerline of Section 15; thence N 89°56'11" W 30.51 feet to an Existing Power Pole, The Point of Beginning and running thence: N 48°58'48" W 190.80 feet to the Point of Terminus.



 ASSOCIATED ENGINEERING, INC. 157 NORTH MAIN STREET ELKHART, IN 46502 PH: (402) 289-5040 FAX: (402) 289-5045 AEC PROJECTS	AE 800 N. JAGHILL RD. BOX 888 ELKHART, IN 46502 (708) 765-2971 (708) 765-2980	PROFESSIONAL LAND SURVEYOR 12223 6-9-08 STATE OF INDIANA DAVID D. WOODRUFF	12223 6-9-08 STATE OF INDIANA DAVID D. WOODRUFF	Celltel COMMUNICATIONS, INC. 1120 EAST 71ST AVENUE SUITE 110 DENVER, CO 80231-3710	TRANSFER BY: ☐ C S.J. ☐ D.B. ☐ B.D.	APPROVALS:	ALLTEL PROJECT ENGINEER ALLTEL FREQUENCY SPECIALIST DOWER	ALLTEL SITE NAME:	ID05 BERRY PARK	ALLTEL SITE NUMBER:	XXXXXXXX	SUBMITTALS:	<table border="1"> <thead> <tr> <th>REV.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1/12/07</td> <td>DISCIPLE/IDN</td> </tr> <tr> <td>2</td> <td>5/21/07</td> <td>PERC/LEAD/HAZ</td> </tr> <tr> <td>3</td> <td>12/18/07</td> <td>MOVE SITE</td> </tr> </tbody> </table>	REV.	DATE	DESCRIPTION	1	1/12/07	DISCIPLE/IDN	2	5/21/07	PERC/LEAD/HAZ	3	12/18/07	MOVE SITE	DRAWING TITLE:	SITE SURVEY	DRAWING NUMBER:	SS-1	PROJECT NUMBER:	XXXXXXXX
	REV.	DATE	DESCRIPTION																												
1	1/12/07	DISCIPLE/IDN																													
2	5/21/07	PERC/LEAD/HAZ																													
3	12/18/07	MOVE SITE																													

EXHIBIT C

COMPENSATION

SITE AGREEMENT MANAGEMENT, AUDITS, ANALYSIS, AND NEGOTIATION:

SteepSteel shall perform the services described in Exhibit A - SCOPE OF SERVICES, of the Leases described in Exhibit B - CURRENT LEASES, for Compensation as follows:

Alternative I

Management, Audits, and Analysis: SteepSteel shall be entitled to and Client shall pay the sum of two hundred fifty dollars (\$250.00) per hour for remote Management, periodic Audits, and accompanying Analysis.

New Leases and Lease Amendments: SteepSteel shall be entitled to and Client shall pay the sum of four thousand dollars exactly (\$4,000.00) for the negotiation of each New Lease ("Leases"), Lease Amendment ("Amendments"), or Lease Extension ("Extensions").

The total fees charged by SteepSteel and paid by the Client shall not exceed fifteen thousand dollars (\$15,000.00) per calendar year without the express, written consent of the Client.

Alternative II

In the alternative, SteepSteel proposes to perform an Audit, Analysis, and Amendment of the leases outlined in Exhibit B for the following fee:

- Rent increase from 0% to 10% per month: A fee equal to one month of the newly negotiated rent
- Rent increase above 10% to 25% per month: A fee equal to two months of the newly negotiated rent
- Rent increase above 25% but less than 35%: A fee equal to three months of the newly negotiated rent
- Rent increase above 35%: A fee equal to four months of the newly negotiated rent

Acknowledged and agreed that the parties have selected Alternative ____.

SteepSteel, LLC:

Client:

James Kennedy, Manager

Travis Rothweiler, City Manager



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: Mitch Humble, Deputy City Manager

ACTION ITEM

Request:

A request to approve a contract with Core Construction to serve as the City's construction manager/general contractor (CM/GC) for the remodel and addition to the City Pool.

Time Estimate:

The presentation and discussion should take about five minutes.

Background:

The City hired Cole Architects to help us design a remodel and addition to the City Pool. The pool is outdated and needs the addition of individual/family-style restroom/changing rooms to better accommodate the growing demand and changing demographic of pool users. Cole has designed a remodel and addition that accomplishes our purpose. The City has used the CM/GC construction method successfully on several recent projects, and we recommend doing so again with this project.

City staff used a request for qualification process to select a CM/GC for this project. Core Construction was selected as the most qualified company for this project. Staff has negotiated the attached contract with Core Construction for this purpose. Core is proposing a 5% CM/GC fee for their services on this project, and a fee of \$12,764 for pre-construction services. This fee is very competitive with comparable fees in the market right now. Therefore, staff recommends that the Council approve the attached contract as presented. The City Attorney has reviewed and approved the contract.

Approval Process:

A simple majority vote of the Council is needed to approve this request.

Budget Impact:

The FY2025 City budget includes \$1,200,000 for this project. That amount was budgeted based on the architect's construction estimate. Once on board, Core Construction will prepare a guaranteed maximum price (GMP) for the project. Core's CM/GC fee will be 5% of the GMP amount. We will bring the GMP amount to the Council for review and approval at a future meeting.

Regulatory Impact:

If the Council approves the request, staff will execute the contract and Core Construction will begin working with the project architect to finalize construction plans for the project.

History:

N/A

Analysis:

N/A

Conclusion:

Staff recommends that the Council approve the contract with Core Construction to serve as the City's CM/GC for the remodel and addition to the City Pool.

Attachments:

1. Courtesy Copy_ConsensusDocs 500 CMGC SFA & Gen Cond w_ Exs A & B



ConsensusDocs®
BUILDING A BETTER WAY

ConsensusDocs 500
STANDARD AGREEMENT AND GENERAL CONDITIONS BETWEEN OWNER AND
CONSTRUCTION MANAGER / GENERAL CONTRACTOR ("CM/GC")



CM/GC

TABLE OF ARTICLES

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15. CONTRACT DOCUMENTS



ARTICLE 1 AGREEMENT

This Agreement is made this 17th day of March in the year 2025, by and between the

OWNER:

City of Twin Falls
City Manager's Office
Attn: Mitch Humble, Deputy City Manager
203 Main Avenue East
Twin Falls, ID, 83301

and the

CONSTRUCTION MANAGER / GENERAL CONTRACTOR (CM/GC):

The Terms "Construction Manager" and/or "Contractor" as used in this Agreement shall mean the Construction Manager / General Contractor)

CORE Construction Management, Inc.
13835 N. Northsight Blvd., Suite 100
Scottsdale, AZ, 85260

Tax Identification Number (TIN): 86-0433249

Contractor License No., if applicable: 067453 – Unlimited – 3

for construction and services in connection with the following

PROJECT:

City Pool Building Remodel & Expansion
Located at: 756 Locust Street North, Twin Falls, ID 83301
Brief Description:

The existing City Pool building is approximately 3,811 square feet. The City of Twin Falls is proposing to remodel approximately 2,616 square feet of the existing building and construct approximately 1,443 square feet of additional space for the building. The existing locker rooms/restrooms will be modernized. The existing entry and office area will be remodeled to include a guard room, an accessible family restroom/changing room, and multiple individual changing rooms/restrooms. The additional space will include a new entry counter space, an office, and a training room.

Notice to the Parties shall be given at the above "Owner" and "CM/GC" addresses.

Design Professional is Cole Architects.

ARTICLE 2 GENERAL PROVISIONS

2.1 PARTIES' RELATIONSHIP Each Party agrees to act on the basis of mutual trust, good faith, and fair dealing, and perform in an economical and timely manner. The Parties shall each endeavor to promote harmony and cooperation among all Project participants.

2.1.1 CM/GC represents that it is an independent contractor and that it is familiar with the type of Work it is undertaking.



2.1.2 Neither CM/GC nor any of its agents or employees shall act on behalf of or in the name of Owner except as provided in this Agreement unless authorized in writing by Owner's Representative.

2.2 ETHICS Each Party shall perform with integrity. Each shall: (a) avoid conflicts of interest, and (b) promptly disclose to the other Party any conflicts that may arise. Each Party warrants that it has not and shall not pay or receive any contingent fees or gratuities to or from the other Party, including its agents, officers, employees, Subcontractors, Subsubcontractors, Suppliers, or Others to secure preferential treatment.

2.3 DESIGN PROFESSIONAL Owner, through its Design Professional, shall provide all architectural and engineering design services necessary for the completion of the Work excluding, however, (a) design services delegated to CM/GC in accordance with §3.17, and (b) services within the construction means, methods, techniques, sequences, and procedures employed by CM/GC, its Subcontractors, and Subsubcontractors in connection with their construction operations. The CM/GC shall not be required to provide professional services which constitute the practice of architecture or engineering except as otherwise provided.

2.4 Owner shall obtain from Design Professional either a license for CM/GC and Subcontractors to use the design documents prepared by Design Professional or ownership of the copyrights for such design documents, and shall indemnify and hold harmless CM/GC against any suits or claims of infringement of any copyrights or licenses arising out of the use of the design documents for the Project.

2.5 DEFINITIONS

2.5.1 "Agreement" means this ConsensusDocs 500 Standard Agreement and General Conditions Between Owner and CM/GC, as modified, and exhibits and attachments made part of this agreement upon its execution.

2.5.1.1 The following attached exhibits are a part of this Agreement:

Exhibit A: GMP Amendment Template
Exhibit B: CM/GC's Provided Insurance

2.5.2 "Business Day" means all Days, except weekends and official federal or state holidays where the Project is located.

2.5.3 A "Change Order" is a written order signed by the Parties after execution of this Agreement, indicating changes in the scope of the Work, the GMP and Date of Substantial Completion or Date of Final Completion, including substitutions proposed by CM/GC and accepted by Owner.

2.5.4 The "Contract Documents" consist of (a) this Agreement; (b) documents listed in §15.1 as existing contract documents; (c) drawings, specifications, addenda issued and acknowledged before execution of this Agreement; (d) information furnished by Owner pursuant to §3.15.4, and (e) Change Orders, Interim Directives, and amendments issued in accordance with this Agreement.

2.5.5 "Contract Time" is the period between the Date of Commencement and the total time authorized to achieve Substantial Completion.

2.5.6 "Cost of the Work" means the costs and discounts specified in ARTICLE 8.

2.5.7 The "CM/GC" is the person or entity identified in ARTICLE 1 and includes CM/GC's Representative.



2.5.8 "Date of Commencement" is as set forth in §6.1.

2.5.9 "Day" means a calendar day.

2.5.10 "Defective Work" is any portion of the Work that does not conform with the requirements of the Contract Documents.

2.5.11 "Design Professional" means the licensed architect or engineer, and its consultants, retained by Owner to perform design services for the Project.

2.5.12 "Final Completion" occurs on the date when CM/GC's obligations under this Agreement are complete and accepted by Owner and final payment becomes due and payable. This date shall be confirmed by a Certificate of Final Completion signed by the Parties.

2.5.13 "Force Majeure Events" are those events that are beyond the control of both CM/GC and Owner, including but not necessarily limited to the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God.

2.5.14 "Hazardous Material" is any substance or material identified now or in the future as hazardous under the Law, or any other substance or material that may be considered hazardous or otherwise subject to statutory or regulatory requirement governing handling, disposal, or cleanup.

2.5.15 "Interim Directive" is a written order containing change to the Work directed by Owner pursuant to §9.2 and that is signed by Owner after execution of this Agreement and before Substantial Completion.

2.5.16 "Law" means federal, state, or local laws, ordinances, codes, rules, and regulations applicable to the Work with which CM/GC must comply that are enacted as of the Agreement date.

2.5.17 "Others" means Owner's other: (a) contractors/constructors, (b) suppliers, (c) subcontractors, subsubcontractors, or suppliers of (a) and (b); and others employed directly or indirectly by (a), (b), or (c) or any by any of them or for whose acts any of them may be liable.

2.5.18 "Overhead" means (a) payroll costs, burden, and other compensation of CM/GC's employees in CM/GC's principal and branch offices; (b) general and administrative expenses of CM/GC's principal and branch offices including charges against CM/GC for delinquent payments; and (c) CM/GC's capital expenses, including interest on capital used for the Work.

2.5.19 "Owner" is the person or entity identified in ARTICLE 1.

2.5.20 The "Owner's Notice To Proceed" with the Construction shall mean the written notification(s) supplied by Owner to the CM/GC to commence with the Construction Phase Work pursuant to §6.1.

2.5.21 The "Owner's Program" is an initial description of Owner's objectives, including budgetary and time criteria, space requirements and relationships, flexibility and expandability requirements, special equipment and systems, site requirements, and any requirements for phased occupancy.

2.5.22 The "Parties" are collectively Owner and CM/GC.

2.5.23 The "Project," as identified in ARTICLE 1, is the building, facility, or other improvements for which CM/GC is to perform Work under this Agreement. It may also include construction by Owner or Others.



2.5.24 The “Schedule of the Work” is the document prepared by CM/GC that specifies the dates on which CM/GC plans to begin and complete various parts of the Work, including dates on which information and approvals are required from Owner.

2.5.25 “Subcontractor” is a person or entity retained by CM/GC as an independent contractor to provide the labor, materials, equipment, or services necessary to complete a specific portion of the Work. The term Subcontractor does not include Design Professional or Others.

2.5.26 “Substantial Completion” of the Work, or of a designated portion, occurs on the date when the Work is sufficiently complete in accordance with the Contract Documents so that Owner may occupy or utilize the Work, or a designated portion, for the use for which it is intended, without unapproved disruption. The issuance of a certificate of occupancy is not a prerequisite for Substantial Completion if the certificate of occupancy cannot be obtained due to factors beyond CM/GC's control. This date shall be confirmed by a certificate of Substantial Completion signed by the Parties.

2.5.27 A “Subsubcontractor” is a person or entity who has an agreement with a Subcontractor or another subsubcontractor or Supplier to perform a portion of the Subcontractor's Work or supply material or equipment.

2.5.28 A “Supplier” is a person or entity retained by CM/GC to provide material or equipment for the Work.

2.5.29 “Terrorism” means a violent act, or an act that is dangerous to human life, property, or infrastructure, that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion. Terrorism includes, but is not limited to, any act certified by the United States government as an act of terrorism pursuant to the Terrorism Risk Insurance Act, as amended.

2.5.30 “Work” means the construction and administrative and management services necessary or incidental to fulfill CM/GC's obligations for the Project in accordance with and reasonably inferable from the Contract Documents. The Work may refer to the whole Project or only a part of the Project if work is also being performed by Owner or Others.

2.5.31 “Worksite” means the area of the Project location as identified in ARTICLE 1 where the Work is to be performed.

ARTICLE 3 CM/GC'S RESPONSIBILITIES

3.1 GENERAL RESPONSIBILITIES

3.1.1 CM/GC shall provide all labor, materials, equipment, and services necessary to complete the Work, all of which shall be provided in full accord with the Contract Documents and reasonably inferable from the Contract Documents.

3.1.2 CM/GC represents that it is an independent contractor and that it is familiar with the type of work required by this Agreement.

3.1.3 Unless the Contract Documents instruct otherwise, CM/GC shall be responsible for the supervision and coordination of the Work, including the construction means, methods, techniques, sequences, and procedures utilized. When following construction means, methods, techniques, sequences, or procedures instructed by the Contract Documents, CM/GC is not liable to Owner for damages resulting from compliance with such instructions, unless (a) CM/GC recognized and (b)



failed to timely report to Owner any error, inconsistency, omission, or unsafe practice that it discovered in such requirements.

3.1.4 CM/GC shall perform Work only within locations allowed by the Contract Documents, Law, and applicable permits.

3.2 CONSTRUCTION PERSONNEL AND SUPERVISION

3.2.1 CM/GC shall provide competent supervision for the performance of the Work. Before commencing the Work, CM/GC shall notify Owner in writing of the name and qualifications of its proposed superintendent(s) and project manager, so Owner may review the individual's qualifications. If, for reasonable cause, Owner refuses to approve the individual, or withdraws its approval after once giving it, CM/GC shall name a different superintendent for Owner's review.

3.2.2 CM/GC shall be responsible to Owner for acts or omissions of Parties or entities performing portions of the Work for or on behalf of CM/GC or any of its Subcontractors.

3.2.3 CM/GC shall permit only fit and skilled persons to perform the Work. CM/GC shall enforce safety procedures, strict discipline and good order among persons performing the Work. If Owner determines that a particular person does not follow safety procedures, or is unfit or unskilled for the assigned work, CM/GC shall immediately reassign the person on receipt of Owner's written notice to do so.

3.2.4 CM/GC'S REPRESENTATIVE CM/GC's authorized representative is Todd Steffen, President. CM/GC's Representative shall possess full authority to receive instructions from Owner and to act on those instructions. If CM/GC changes its representative or their authority, CM/GC shall immediately notify Owner in writing.

3.3 PRECONSTRUCTION SERVICES The Preconstruction Services under this section are included in CM/GC's work.

3.3.1 PRELIMINARY EVALUATION CM/GC shall provide a preliminary evaluation of Owner's Program and report such findings to Owner and Design Professional.

3.3.2 CONSULTATION CM/GC shall schedule and attend regular meetings with Owner and Design Professional. CM/GC shall consult with Owner and Design Professional regarding site use and improvements and the selection of materials, building systems, and equipment. CM/GC shall provide recommendations on construction feasibility; actions designed to minimize adverse effects of labor or material shortages; time requirements for procurement, installation, and construction completion; and factors related to construction cost, including estimates of alternative designs or materials.

3.3.3 SCHEDULE OF THE WORK When Project requirements have been sufficiently identified, CM/GC shall prepare a preliminary Schedule of the Work for Design Professional's review and Owner's approval. CM/GC shall coordinate and integrate the Schedule of the Work with the services and activities of Owner, CM/GC, Design Professional, and the requirements of governmental entities. As design proceeds, CM/GC shall update the Schedule of the Work to indicate proposed activity sequences, durations, or milestone dates for such activities as receipt and approval of pertinent information, issuance of the drawings and specifications, the preparation and processing of shop drawings and samples, delivery of materials or equipment requiring long-lead-time procurement, Owner's occupancy requirements and estimated date of Substantial Completion of the Project. If Schedule of the Work updates indicate that milestone dates contained in prior Schedules of the Work will not be met, CM/GC shall notify and make recommendations to Owner. If the Project is to be



completed in phases, CM/GC shall make recommendations to Owner and Design Professional regarding the phased issuance of the drawings and specifications.

3.3.4 ESTIMATES

3.3.4.1 When Owner has sufficiently identified Owner's Program and other Project requirements and Design Professional has prepared other basic design criteria, CM/GC shall prepare, for the review of Design Professional and approval of Owner, an initial estimate for the Project, utilizing area, volume, or similar conceptual estimating techniques.

3.3.4.2 When schematic or preliminary design documents have been completed by Design Professional and approved by Owner, CM/GC shall prepare for the review of Design Professional and approval of Owner, a more detailed budget with supporting data. During the preparation of the design development documents or documents of comparable detail, CM/GC shall update and refine this estimate at appropriate intervals agreed upon by The Parties.

3.3.4.3 When design development documents or documents of comparable detail have been completed by Design Professional and approved by Owner, CM/GC shall prepare a further detailed estimate with supporting data for review by Design Professional and approval by Owner. During the preparation of the drawings and specifications, CM/GC shall update and refine this estimate at appropriate intervals agreed upon by the Parties.

3.3.4.4 If any estimate submitted to Owner exceeds previously approved estimates, CM/GC shall notify and make recommendations to Owner.

3.3.5 CONSTRUCTION DOCUMENT REVIEW CM/GC shall review the drawings and specifications in an effort to identify potential constructability problems that could impact CM/GC's ability to perform the Work in an expeditious and economical manner. CM/GC shall issue a report to Design Professional and Owner for their review and action as appropriate. In addition, CM/GC shall promptly report to Owner and Design Professional any errors or omissions which it discovers in the drawings and specifications.

3.3.6 TEMPORARY FACILITIES CM/GC shall make recommendations regarding temporary construction facilities, equipment, materials, and services for common use by CM/GC, its Subcontractors, Subsubcontractors, and Suppliers.

3.3.7 LONG-LEAD-TIME ITEMS CM/GC shall recommend to Owner and Design Professional a schedule for procurement of long-lead-time items which will constitute part of the Work as required to meet the Schedule of the Work. CM/GC shall help expedite the delivery of long-lead-time items.

3.3.8 SOLICITATION OF SUBCONTRACTORS AND SUPPLIERS CM/GC shall seek to develop Subcontractor interest in the Project and shall furnish to Owner and Design Professional a list of possible subcontractors from whom proposals may be requested for each principal portion of the Work. Owner shall promptly reply in writing to CM/GC if Owner or Design Professional know of any objection to a subcontractor. Owner may designate specific persons or entities from whom CM/GC shall solicit bids.

3.3.9 EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION CM/GC shall consult with Owner regarding equal employment opportunity and affirmative action programs.

3.3.10 CONSULTANTS CM/GC shall assist Owner in selecting, retaining, and coordinating the professional services of a surveyor, testing laboratories, and special consultants as needed.



3.3.11 PERMITS CM/GC shall assist Owner in obtaining building permits and special permits for permanent improvements, except for permits required to be obtained directly by CM/GC.

3.3.12 OTHER PRECONSTRUCTION SERVICES CM/GC shall provide such other preconstruction services as are agreed upon by the Parties and identified in an attached exhibit to this Agreement.

3.4 GUARANTEED MAXIMUM PRICE (GMP)

3.4.1 At such time as the Parties agree the drawings and specifications are sufficiently complete, CM/GC shall prepare and submit to Owner in writing a GMP. The GMP proposal shall include the sum of the estimated cost of the Work, CM/GC's Fee, the clarifications and assumptions upon which it is based, allowances, and reasonable contingencies, but shall not include compensation for Preconstruction Services. CM/GC does not guarantee any specific line item provided as part of the GMP but agrees that it will be responsible for paying all costs of completing the Work which exceed the GMP, as adjusted in accordance with this Agreement.

3.4.2 BASIS OF GUARANTEED MAXIMUM PRICE CM/GC shall include with the GMP proposal a written statement of its basis, which shall include:

3.4.2.1 a list of the drawings and specifications, including all addenda, which were used in preparation of the GMP Proposal;

3.4.2.2 a list of allowances and a statement of their basis;

3.4.2.3 a list of the assumptions and clarifications made by CM/GC in the preparation of the GMP Proposal to supplement the information contained in the drawings and specifications;

3.4.2.4 the Date of Substantial Completion or the Date of Final Completion upon which the proposed GMP is based, and the Schedule of Work upon which the Date of Substantial Completion or the Date of Final Completion is based;

3.4.2.5 a schedule of applicable alternate prices;

3.4.2.6 a schedule of applicable unit prices;

3.4.2.7 a statement of any work to be self-performed by CM/GC.

3.4.3 CM/GC shall meet with Owner and Design Professional to review the GMP. If Owner or Design Professional discovers any inconsistencies, inaccuracies, or omissions in the information presented, they shall promptly notify CM/GC, who shall make appropriate adjustments to the GMP. Owner shall then give prompt written approval of the GMP.

3.4.4 Owner shall cause Design Professional to revise the drawings and specifications to the extent necessary to reflect the clarifications, assumptions, and allowances on which the GMP is based. Revised drawings and specifications shall be furnished to CM/GC in accordance with the current Schedule of the Work, unless otherwise agreed by Owner, CM/GC, and Design Professional. CM/GC shall promptly notify Owner and Design Professional if the revised drawings and specifications are inconsistent with the GMP's clarifications, assumptions, and allowances.

3.4.5 If the Contract Documents are not complete at the time the GMP proposal is submitted to Owner, CM/GC shall provide in the GMP for further development of the Contract Documents. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Document.



3.4.6 If this Agreement is executed before establishment of the Guaranteed Maximum Price and its acceptance by Owner, then the GMP and its basis shall be set forth in Amendment 1.

3.4.7 Allowances shall include the costs of materials, supplies, and equipment delivered to the Worksite less applicable trade discounts and including requisite taxes, unloading and handling at the Worksite, and labor and installation, unless specifically stated otherwise. CM/GC's overhead and profit for the allowances shall be included in the GMP, but not in the allowances. The Owner receives the savings for any amount under the allocation and is responsible for any amount over the allocation. The GMP shall be adjusted by Change Order to reflect the actual costs when they are greater than or less than the allowances.

3.4.7.1 Escalation Allowance for potentially price-impacted material. The parties acknowledge certain markets providing essential materials to the Project are experiencing or are expected to experience significant, industry-wide economic fluctuation during the performance of this Contract that may impact price increases due to escalation of materials, equipment, or products costs. The Contractor shall give the Owner written notice and documentation of the increased costs.

3.4.8 FAILURE TO ACCEPT THE GMP PROPOSAL Unless Owner accepts the GMP Proposal in writing on or before the date specified in the GMP Proposal for such acceptance and so notifies CM/GC, the GMP Proposal shall not be effective. If Owner fails to accept the GMP Proposal, or rejects the GMP Proposal, Owner shall have the right to:

3.4.8.1 suggest modifications to the GMP Proposal. If such modifications are accepted in writing by CM/GC, the GMP Proposal shall be deemed accepted in accordance with §3.4.6;

3.4.8.2 direct CM/GC to proceed on the basis of reimbursement as provided in ARTICLE 7 and ARTICLE 8 without a GMP, in which case all references in this Agreement to the GMP shall not be applicable; or

3.4.8.3 terminate the Agreement for convenience in accordance with §12.3. In the absence of a GMP the Parties may establish a Date of Substantial Completion or a Date of Final Completion.

3.4.9 PRE-GMP WORK Before Owner's acceptance of the GMP Proposal, CM/GC shall not incur any cost to be reimbursed as part of the Cost of the Work, except as provided in this Agreement or as Owner may specifically authorize in writing.

3.5 WORKMANSHIP

3.5.1 The Work shall be executed in accordance with the Contract Documents in a workmanlike manner. All materials used in the Work shall be furnished in sufficient quantities to facilitate the proper and expeditious execution of the Work and shall be new except as otherwise provided in the Contract Documents.

3.6 COOPERATION WITH WORK OF OWNER AND OTHERS

3.6.1 Owner may perform work at the Worksite directly or by Others. Any agreements with Others to perform construction or operations related to the Project shall include provisions pertaining to insurance, indemnification, waiver of subrogation, consequential damages, coordination, interference, cleanup, and safety that are substantively the same as the corresponding provisions of this Agreement.



3.6.2 If Owner elects to perform work at the Worksite directly or by Others, the Parties shall coordinate the activities of all forces at the Worksite and agree upon fair and reasonable schedules and operational procedures for Worksite activities. Owner shall require each separate contractor to cooperate with CM/GC and assist with the coordination of activities and the review of construction schedules and operations. The GMP or the Date of Substantial Completion or the Date of Final Completion may be equitably adjusted in accordance with this Agreement, for changes resulting from the coordination of construction activities, and the Schedule of the Work shall be revised accordingly.

3.6.3 With regard to the work of Owner and Others, CM/GC shall (a) proceed with the Work in a manner that does not hinder, delay, or interfere with the work of Owner or Others or cause the work of Owner or Others to become defective; (b) afford Owner or Others reasonable access for introduction and storage of their materials and equipment and performance of their activities; and (c) coordinate CM/GC's Work with theirs.

3.6.4 Before proceeding with any portion of the Work affected by the construction or operations of Owner or Others, CM/GC shall give Owner prompt, written notification of any defects CM/GC discovers in their work which will prevent the proper execution of the Work. CM/GC's obligations in this subsection do not create a responsibility for the work of Owner or Others but are for the purpose of facilitating the Work. If CM/GC does not notify Owner of defects interfering with the performance of the Work, CM/GC acknowledges that the work of Owner or Others is not defective and is acceptable for the proper execution of the Work. Following receipt of written notice from CM/GC of defects, Owner shall promptly issue an Interim Directive informing CM/GC what action, if any, CM/GC shall take with regard to the defects.

3.7 CONTRACT DOCUMENT REVIEW AND ADMINISTRATION

3.7.1 Before commencing the Work, CM/GC shall examine and compare the drawings and specifications with information furnished by Owner that are considered Contract Documents, relevant field measurements made by CM/GC, and any visible conditions at the Worksite affecting the Work.

3.7.2 Should CM/GC discover any errors, omissions, or inconsistencies in the Contract Documents, CM/GC shall promptly report them to Owner. It is recognized, however, that CM/GC is not acting in the capacity of a licensed design professional, and that CM/GC's examination is to facilitate construction and does not create an affirmative responsibility to detect defects or to ascertain compliance with a Law. Following receipt of written notice from CM/GC of defects, Owner shall promptly inform CM/GC what action, if any, CM/GC shall take with regard to the defect.

3.7.3 CM/GC shall have no liability for errors, omissions, or inconsistencies discovered under this section, unless CM/GC knowingly fails to report a recognized problem to Owner.

3.7.4 CM/GC may be entitled to additional costs or time because of clarifications or instructions growing out of CM/GC's reports described in this §3.7.

3.7.5 Nothing in §3.7 shall relieve CM/GC of responsibility for its own errors, inconsistencies, or omissions.

3.7.6 COST REPORTING CM/GC shall maintain complete, accurate, and current records that comply with generally accepted accounting principles and calculate the proper financial management under this Agreement. CM/GC shall maintain a complete set of all books and records prepared or used by CM/GC with respect to the Project. Owner shall be afforded access to all of CM/GC's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to this Agreement. CM/GC shall preserve all such records for a period of three years after Substantial Completion.



3.7.6.1 CM/GC agrees to use reasonable skill and judgment in the preparation of cost estimates and Schedule of the Work but does not warrant or guarantee their accuracy.

3.8 MATERIALS FURNISHED BY OWNER OR OTHERS

3.8.1 If the Work includes installation of materials or equipment furnished by Owner or Others, it shall be the responsibility of CM/GC to examine the items so provided and thereupon handle, store, and install the items, unless otherwise provided in the Contract Documents, with such skill and care as to provide a satisfactory and proper installation. Loss or damage due to acts or omissions of CM/GC shall be the responsibility of CM/GC and may be deducted from any amounts due or to become due CM/GC. Any defects discovered in such materials or equipment shall be reported at once to Owner. Following receipt of written notice from CM/GC of defects, Owner shall promptly inform CM/GC what action, if any, CM/GC shall take with regard to the defects.

3.9 TESTS AND INSPECTIONS

3.9.1 CM/GC shall schedule all required tests, approvals, and inspections of the Work or portions thereof at appropriate times so as not to delay the progress of the Work or other work related to the Project. CM/GC shall give proper notice to all required Parties of such tests, approvals, and inspections. If feasible, Owner and Others may timely observe the tests at the normal place of testing. Except as provided in §3.9.3, Owner shall bear all expenses associated with tests, inspections, and approvals required by the Contract Documents which, unless otherwise agreed to, shall be conducted by an independent testing laboratory or entity retained by Owner. Unless otherwise required by the Contract Documents, required certificates of testing, approval, or inspection shall be secured by CM/GC and promptly delivered to Owner.

3.9.2 If Owner or appropriate authorities determine that tests, inspections, or approvals in addition to those required by the Contract Documents will be necessary, CM/GC shall arrange for the procedures and give timely notice to Owner and Others who may observe the procedures. Costs of the additional tests, inspections, or approvals are at Owner's expense except as provided in the subsection below.

3.9.3 If the procedures described in the two subsections immediately above indicate that portions of the Work fail to comply with the Contract Documents due to the negligence of CM/GC, CM/GC shall be responsible for costs of correction and retesting.

3.10 WARRANTY

3.10.1 CM/GC warrants that all materials and equipment furnished under the Construction Phase of this Agreement will be new unless otherwise specified, of good quality, in conformance with the Contract Documents, and free from defective workmanship and materials. At Owner's request, CM/GC shall furnish satisfactory evidence of the quality and type of materials and equipment furnished. CM/GC further warrants that the Work shall be free from material defects not intrinsic in the design or materials required in the Contract Documents. CM/GC's warranty does not include remedies for defects or damages caused by normal wear and tear during normal usage, use for a purpose for which the Project was not intended, improper or insufficient maintenance, modifications performed by Owner or others, or abuse. CM/GC's warranty shall commence on the Date of Substantial Completion of the Work, or of a designated portion.

3.10.2 With respect to any portion of Work first performed after Substantial Completion, CM/GC's warranty obligation shall be extended by the period of time between Substantial Completion and the actual performance of the later Work.



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3.10.3 To the extent products, equipment, systems, or materials incorporated in the Work are specified and purchased by Owner, they shall be covered exclusively by the warranty of the manufacturer. There are no warranties which extend beyond the description on the face of any such warranty. For such incorporated items, ALL OTHER WARRANTIES EXPRESSED OR IMPLIED INCLUDING THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED.

3.10.4 CM/GC shall obtain from its Subcontractors and Suppliers any special or extended warranties required by the Contract Documents. CM/GC's liability for such warranties shall be limited to the one-year correction period referred to in the section immediately below. After that period CM/GC shall provide reasonable assistance to Owner in enforcing the obligations of Subcontractors or Suppliers for such extended warranties.

3.11 CORRECTION OF WORK WITHIN ONE YEAR

3.11.1 If before Substantial Completion or within one year after the date of Substantial Completion of the Work any Defective Work is found, Owner shall promptly notify CM/GC in writing. Unless Owner provides written acceptance of the condition, CM/GC shall promptly correct the Defective Work at its own cost and time and bear the expense of additional services required for correction of any Defective Work for which it is responsible. If within the one-year correction period Owner discovers and does not promptly notify CM/GC or give CM/GC an opportunity to test or correct Defective Work as reasonably requested by CM/GC, Owner waives CM/GC's obligation to correct that Defective Work as well as Owner's right to claim a breach of the warranty with respect to that Defective Work.

3.11.2 With respect to any portion of Work first performed after Substantial Completion, the one-year correction period shall commence when that portion of the Work is substantially complete. Correction periods shall not be extended by corrective work performed by CM/GC.

3.11.3 If CM/GC fails to correct Defective Work within a reasonable time after receipt of written notice from Owner before final payment, Owner may correct it in accordance with Owner's right to carry out the Work. In such case, an appropriate Change Order shall be issued deducting the cost of correcting the Defective Work from payments then or thereafter due CM/GC. If payments then or thereafter due CM/GC are not sufficient to cover such amounts, CM/GC shall pay the difference to Owner.

3.11.4 CM/GC's obligations and liability, if any, with respect to any Defective Work discovered after the one-year correction period shall be determined by the Law. If, after the one-year correction period but before the applicable limitation period has expired, Owner discovers any Work which Owner considers Defective Work, Owner shall, unless the Defective Work requires emergency correction, promptly notify CM/GC and allow CM/GC an opportunity to correct the Work if CM/GC elects to do so. If CM/GC elects to correct the Work, it shall provide written notice of such intent within fourteen (14) Days of its receipt of notice from Owner and shall complete the correction of Work within a mutually agreed timeframe. If CM/GC does not elect to correct the Work, Owner may have the Work corrected by itself or Others, and, if Owner intends to seek recovery of those costs from CM/GC, Owner shall promptly provide CM/GC with an accounting of the actual correction costs.

3.11.5 If CM/GC's correction or removal of Defective Work causes damage to or destroys other completed or partially completed work or existing building, CM/GC shall be responsible for the cost of correcting the destroyed or damaged property.



3.11.6 The one-year period for correction of Defective Work does not constitute a limitation period with respect to the enforcement of CM/GC's other obligations under the Contract Documents.

3.11.7 Before final payment, at Owner's option and with CM/GC's agreement, Owner may elect to accept Defective Work rather than require its removal and correction. In such cases the GMP shall be equitably adjusted for any diminution in the value of the Project caused by such Defective Work.

3.12 CORRECTION OF COVERED WORK

3.12.1 Upon issuance of an Interim Directive, Work that has been covered without a requirement that it be inspected before being covered may be uncovered for Owner's inspection. Owner shall pay for the costs of uncovering and replacement if the Work proves to be in conformance with the Contract Documents, or if the defective condition was caused by Owner or Others. If the uncovered Work proves to be defective, CM/GC shall pay the costs of uncovering and replacement.

3.12.2 If any Work is covered contrary to requirements in the Contract Documents, Owner may issue an Interim Directive to uncover the Work for Owner's observation and recover the Work all at CM/GC's expense. In this circumstance the Work shall be replaced at CM/GC's expense and with no adjustment to the Dates of Substantial or Final Completion.

3.13 SAFETY OF PERSONS AND PROPERTY

3.13.1 SAFETY PROGRAMS CM/GC holds overall responsibility for safety programs. However, such obligation does not relieve Subcontractors of their safety responsibilities and to comply with the Law. CM/GC shall prevent against injury, loss, or damage to persons or property by taking reasonable steps to protect: (a) its employees and other persons at the Worksite; (b) materials and equipment stored at onsite or offsite locations for use in performing the Work; and (c) property located at the Worksite and adjacent to work areas, whether or not the property is part of the Worksite.

3.13.2 CM/GC'S SAFETY REPRESENTATIVE CM/GC shall designate an individual at the Worksite in its employ as its safety representative. Unless otherwise identified by CM/GC in writing to Owner, CM/GC's project superintendent shall serve as its safety representative. CM/GC shall report promptly in writing all recordable accidents and injuries occurring at the Worksite. When CM/GC is required to file an accident report with a public authority, CM/GC shall furnish a copy of the report to Owner.

3.13.3 CM/GC shall provide Owner with copies of all notices required of CM/GC by the Law. CM/GC's safety program shall comply with the requirements of governmental and quasi-governmental authorities having jurisdiction.

Damage or loss not insured under property insurance that may arise from the Work, to the extent caused by negligent or intentionally wrongful acts or omissions of CM/GC, or anyone for whose acts CM/GC may be liable, shall be promptly remedied by CM/GC.

3.13.4 If Owner deems any part of the Work or Worksite unsafe, Owner, without assuming responsibility for CM/GC's safety program, may require by Interim Directive CM/GC to stop performance of the Work, take corrective measures satisfactory to Owner, or both. If CM/GC does not adopt corrective measures, Owner may perform them and deduct their cost from the GMP. CM/GC agrees to make no claim for damages, or an increase in the GMP, or for a change in the Dates of Substantial or Final Completion based on CM/GC's compliance with Owner's reasonable request.



3.14 EMERGENCIES In an emergency affecting the safety of persons or property, CM/GC shall act in a reasonable manner to prevent threatened damage, injury, or loss. If appropriate, an equitable adjustment in GMP or Date of Substantial Completion or Date of Final Completion shall be determined as provided for in ARTICLE 9.

3.15 HAZARDOUS MATERIALS

3.15.1 CM/GC shall not be obligated to commence or continue Work until any Hazardous Material discovered at the Worksite has been removed, rendered or determined to be harmless by Owner as certified by an independent testing laboratory, and approved by the appropriate governmental agency.

3.15.2 If after commencing the Work, Hazardous Material is discovered at the Worksite, CM/GC shall be entitled to immediately stop Work in the affected area. CM/GC shall promptly report the condition to Owner, Design Professional, and, if required, the governmental agency with jurisdiction.

3.15.3 CM/GC shall not resume nor be required to continue any Work affected by any Hazardous Material without written mutual agreement between the Parties after the Hazardous Material has been removed or rendered harmless and only after approval, if necessary, of the governmental agency with jurisdiction.

3.15.4 Owner shall be responsible for retaining an independent testing laboratory to determine the nature of the material encountered and whether the material requires corrective measures or remedial action. Such measures shall be the sole responsibility of Owner and shall be performed in a manner minimizing any adverse effect upon the Work.

3.15.5 If CM/GC incurs additional costs or is delayed due to the presence or remediation of Hazardous Material, CM/GC may be entitled to an equitable adjustment in the GMP or the Dates of Substantial or Final Completion in accordance with this Agreement.

3.15.6 To the extent permitted by §6.7 and to the extent not caused by the negligent or intentionally wrongful acts or omissions of CM/GC, its Subcontractors and Subsubcontractors, and the agents, officers, directors, and employees of each of them, Owner shall defend, indemnify, and hold harmless CM/GC, its Subcontractors and Subsubcontractors, and the agents, officers, directors, and employees of each of them, from and against all claims, damages, losses, costs, and expenses, including but not limited to reasonable attorneys' fees, costs, and expenses incurred in connection with any dispute resolution procedure arising out of or relating to the performance of the Work in any area affected by Hazardous Material.

3.15.7 MATERIALS BROUGHT TO THE WORKSITE

3.15.7.1 Safety Data Sheets (SDS) as required by law and pertaining to materials or substances used or consumed in the performance of the Work, whether obtained by CM/GC, Subcontractors, Owner or Others, shall be maintained at the Worksite by CM/GC and made available to Owner, Subcontractors, and Others.

3.15.7.2 CM/GC shall be responsible for the proper delivery, handling, application, storage, removal, and disposal of all materials and substances brought to the Worksite by CM/GC in accordance with the Contract Documents and used or consumed in the performance of the Work. Upon the issuance of the Certificate of Substantial Completion, Owner shall be responsible for materials and substances brought to the Worksite by CM/GC if such materials or substances are required by the Contract Documents.



3.15.7.3 To the extent permitted under §6.7 and to the extent caused by the negligent or intentionally wrongful acts or omissions of CM/GC, its agents, officers, directors, and employees, CM/GC shall defend, indemnify, and hold harmless Owner, its agents, officers, directors, and employees, from and against claims, damages, losses, costs, and expenses, including but not limited to reasonable attorneys' fees, costs and expenses incurred in connection with any dispute resolution procedure, arising out of or relating to delivery, handling, application, storage, removal, and disposal of all materials and substances brought to the Worksite by CM/GC

3.15.7.4 §3.15 shall survive the completion of the Work or Agreement termination.

3.16 SUBMITTALS

3.16.1 CM/GC shall submit to Owner and Design Professional all shop drawings, samples, product data, and similar submittals required by the Contract Documents for review and approval. Submittals shall be submitted in electronic form if required in accordance with §4.6.1. CM/GC shall be responsible for the accuracy and conformity of its submittals to the Contract Documents. At no additional cost, CM/GC shall prepare and deliver its submittals in such time and sequence so as not to delay the performance of the Work or the work of Owner and Others. CM/GC's submittals shall identify in writing for each submittal all changes, deviations, or substitutions from the requirements of the Contract Documents. The approval of any CM/GC submittal shall not be deemed to authorize changes, deviations, or substitutions from the requirements of the Contract Documents unless a Change Order or Interim Directive specifically authorizes such deviation, substitution, or change. To the extent a change, deviation, or substitution causes an impact to the Contract Price or Contract Time, such approval shall be memorialized in a Change Order no later than seven (7) Days following approval by Owner. Neither Design Professional nor Owner shall make any change, deviation, or substitution through the submittal process without specifically identifying and authorizing such deviation to CM/GC. If the Contract Documents do not contain submittal requirements pertaining to the Work, CM/GC agrees upon request to submit in a timely fashion to Design Professional and Owner for review any shop drawings, samples, product data, manufacturers' literature, or similar submittals as may reasonably be required by Owner.

3.16.2 Owner shall be responsible for review and approval of submittals with reasonable promptness to avoid causing delay.

3.16.3 CM/GC shall perform all Work strictly in accordance with approved submittals. Approval of shop drawings is not an authorization to perform changed work, unless the procedures of ARTICLE 9 are followed. Approval does not relieve CM/GC from responsibility for Defective Work resulting from errors or omissions on the approved shop drawings.

3.16.4 Record copies of the following, incorporating field changes and selections made during construction, shall be maintained at the Worksite and available to Owner upon request: drawings, specifications, addenda and other modifications, and required submittals including product data, samples, and shop drawings.

3.16.5 CM/GC shall prepare and submit to Owner final marked-up as-built drawings.

3.17 DESIGN DELEGATION If the Contract Documents require CM/GC to specify that CM/GC is responsible for the design of a particular system or component to be incorporated into the Project, then Owner shall specify all required performance and design criteria. CM/GC shall not be responsible for the adequacy of such performance and design criteria. As required by the Law, CM/GC shall procure design services and certifications necessary to satisfactorily complete the Work from a licensed design professional. The signature and seal of CM/GC's design professional shall appear on all drawings,



calculations, specifications, certifications, shop drawings, and other submittals related to the Work designed or certified by CM/GC's design professional.

3.18 WORKSITE CONDITIONS

3.18.1 WORKSITE VISIT CM/GC acknowledges that it has visited, or has had the opportunity to visit, the Worksite to visually inspect the general and local conditions which could affect the Work.

3.18.2 CONCEALED OR UNKNOWN SITE CONDITIONS If a condition encountered at the Worksite is (a) a subsurface or other physical condition materially different from those indicated in the Contract Documents, or (b) an unusual and unknown physical condition materially different from conditions ordinarily encountered and generally recognized as inherent in Work provided for in the Contract Documents, CM/GC shall stop affected Work after the condition is first observed and give prompt written notice of the condition to Owner and Design Professional. Owner shall investigate and then issue an Interim Directive specifying the extent to which Owner agrees that a concealed or unknown condition exists and directing how CM/GC is to proceed. CM/GC shall not be required to perform any Work relating to the condition without the written mutual agreement of the Parties. Any change in the GMP, estimated Cost of the Work, CM/GC's Fee, Date of Substantial Completion or Date of Final Completion, and, if appropriate, the Compensation for Preconstruction Services as a result of the condition, including any dispute about its existence or nature shall be determined as provided in ARTICLE 9.

3.19 PERMITS AND TAXES

3.19.1 CM/GC shall give public authorities all notices required by law and, except for permits and fees that are the responsibility of Owner pursuant to §4.4, shall obtain and pay for all necessary permits, licenses, and renewals pertaining to the Work. CM/GC shall provide to Owner copies of all notices, permits, licenses, and renewals required under this Agreement.

3.19.2 CM/GC shall pay applicable taxes for the Work provided by CM/GC. However, if tariffs not accounted for in the GMP, no matter when effective, increase the cost and/or time of the Work, Owner hereby agrees to enter into a Change Order with said escalation in the price of materials and/or time for the Work.

3.19.3 If, in accordance with Owner's direction, CM/GC claims an exemption for taxes, Owner shall indemnify and hold CM/GC harmless from any liability, penalty, interest, fine, tax assessment, attorneys' fees, or other expense or cost incurred by CM/GC as a result of any such claim.

3.20 CUTTING, FITTING, AND PATCHING

3.20.1 CM/GC shall perform cutting, fitting, and patching necessary to coordinate the various parts of the Work and to prepare its Work for the work of Owner or Others.

3.20.2 Cutting, patching, or altering the work of Owner or Others shall be done with the prior written approval of Owner. Such approval shall not be unreasonably withheld.

3.21 CLEAN UP

3.21.1 CM/GC shall regularly remove debris and waste materials at the Worksite resulting from the Work. Before discontinuing Work in an area, CM/GC shall clean the area and remove all rubbish and its construction equipment, tools, machinery, waste, and surplus materials. CM/GC shall minimize and confine dust and debris resulting from construction activities. At the completion of the Work, CM/GC shall remove from the Worksite all construction equipment, tools, surplus materials, waste materials, and debris.



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3.21.2 If CM/GC fails to commence compliance with cleanup duties within two (2) Business Days after written notification from Owner of non-compliance, Owner may implement appropriate cleanup measures without further notice and the cost shall be deducted from any amounts due or to become due to CM/GC in the next payment period.

3.22 ACCESS TO WORK CM/GC shall facilitate the access of Owner, its Design Professional, and Others to Work in progress. CM/GC recognizes the importance of performing the Work in a safe manner; to assist with preventing damage, injury, or loss to, all individuals at the Site, whether working or visiting, shall report to the CM/GC's field office and sign in before entering the Project Site.

3.23 COMPLIANCE WITH LAWS CM/GC shall comply with all the Law at its own cost. CM/GC shall be liable to Owner for all loss, cost, or expense attributable to any acts or omissions by CM/GC, its employees, subcontractors, suppliers, and agents for failure to comply with Laws, including fines, penalties, or corrective measures. However, liability under this subsection shall not apply if prior approval by appropriate authorities and Owner is received.

3.23.1 CHANGES IN THE LAW The GMP, estimated Cost of the Work, CM/GC's Fee, Date of Substantial Completion or Date of Final Completion, and, if appropriate, the Compensation for Preconstruction Services shall be equitably adjusted in accordance with ARTICLE 9 for additional costs or time needed resulting from Laws enacted after the date of this Agreement, including taxes and/or tariffs.

3.24 CONFIDENTIALITY CM/GC shall treat as confidential and not disclose to third persons, nor use for its own benefit ("Treat as Confidential"), any of Owner's confidential information, know-how, discoveries, production methods, and the like disclosed to CM/GC or which CM/GC may acquire in performing the Work. To the extent necessary to perform the Work, CM/GC's confidentiality obligations do not apply to disclosures to Subcontractors, Subsubcontractors, and Suppliers. Owner shall Treat as Confidential information all of CM/GC's estimating systems and historical and parameter cost data disclosed to Owner in performing the Work. Each Party shall specify and mark confidential items as "Confidential." Confidentiality obligations do not supersede compulsion by Law, a governmental agency or authority, an order of a court of competent jurisdiction, or a validly issued subpoena. In such event, a Party shall promptly notify the other Party to permit that Party's legal objection.

ARTICLE 4 OWNER'S RESPONSIBILITIES

4.1 INFORMATION AND SERVICES Owner's responsibilities under this Article shall be fulfilled with reasonable detail and in a timely manner.

4.2 FINANCIAL INFORMATION Before commencement of the Work and thereafter at the written request of CM/GC, Owner shall provide CM/GC with evidence of Project financing. Evidence of such financing shall be a condition precedent to CM/GC's commencing or continuing the Work. CM/GC shall be notified before any material change in Project financing.

4.3 WORKSITE INFORMATION To the extent Owner has obtained, or is required to obtain the following Worksite information, then Owner shall provide CM/GC the following:

4.3.1 information describing the physical characteristics of the Worksite, including surveys, Worksite evaluations, legal descriptions, data, or drawings depicting existing conditions, subsurface conditions, and environmental studies, reports, and investigations;



4.3.2 tests, inspections, and other reports dealing with environmental matters, Hazardous Material, and other existing conditions, including structural, mechanical, and chemical tests, required by the Contract Documents or Law;

4.3.3 the limits of Pollution Liability Insurance covering the Worksite held by Owner; and

4.3.4 any other information or services requested in writing by CM/GC which are required for CM/GC's performance of the Work and under Owner's control.

4.4 BUILDING PERMIT, FEES, AND APPROVALS Except for those permits and fees related to the Work which are the responsibility of CM/GC pursuant to §3.19.1, Owner shall secure and pay for all other permits, approvals, easements, assessments, and fees required for the development, construction, use, or occupancy of permanent structures or for permanent changes in existing facilities, including the building permit.

4.5 MECHANICS AND CONSTRUCTION LIEN INFORMATION Within seven (7) Days after receiving CM/GC's written request, Owner shall provide CM/GC with the information necessary to give notice of or enforce mechanics lien rights and, where applicable, stop notices. This information shall include Owner's real property interests in the Worksite and the record legal title.

4.6 CONTRACT DOCUMENTS Unless otherwise specified, Owner shall provide a reasonable number of hard copies of the Contract Documents to CM/GC without cost.

4.6.1 ELECTRONIC DOCUMENTS If Owner requires that Owner, Design Professional, and CM/GC exchange documents and data in electronic or digital form, before any such exchange, Owner, Design Professional, and CM/GC shall agree on and follow a written protocol governing all exchanges in ConsensusDocs 200.2 or a separate addendum, which, at a minimum, shall specify: (a) the definition of documents and data to be accepted in electronic or digital form or to be transmitted electronically or digitally; (b) management and coordination responsibilities; (c) necessary equipment, software, and services; (d) acceptable formats, transmission methods, and verification procedures; (e) methods for maintaining version control; (f) privacy and security requirements; and (g) storage and retrieval requirements. Except as otherwise agreed upon by the Parties in writing, each Party shall each bear its own costs as identified in the protocol. In the absence of a written protocol, use of documents and data in electronic or digital form shall be at the sole risk of the recipient.

4.7 OWNER'S REPRESENTATIVE Owner's Representative is Mitch Humble, Deputy City Manager. Owner's Representative shall be fully acquainted with the Project and shall have authority to bind Owner in all matters requiring Owner's approval, authorization, or written notice. If Owner changes its Representative or the Representative's authority, Owner shall immediately notify CM/GC in writing.

4.8 OWNER'S CUTTING AND PATCHING Cutting, patching, or altering the Work by Owner or Others shall be done with the prior written approval of CM/GC, which approval shall not be unreasonably withheld.

4.9 OWNER'S RIGHT TO CLEAN UP In case of a dispute between CM/GC and Others with regard to respective responsibilities for cleanup at the Worksite, Owner may implement appropriate cleanup measures after two (2) Business Days' notice and allocate the cost among those responsible during the following pay period.

4.10 COST OF CORRECTING DAMAGED OR DESTROYED WORK With regard to damage or loss attributable to the acts or omissions of Owner or Others and not to CM/GC, Owner may either (a) promptly remedy the damage or loss and assume affected warranty responsibilities, (b) accept the damage or loss, or (c) issue an Interim Directive or Change Order to remedy the damage or loss. If



CM/GC incurs costs or is delayed due to such loss or damage, CM/GC may seek an equitable adjustment in the GMP, estimated Cost of the Work, CM/GC's Fee, Date of Substantial Completion or Date of Final Completion, and, if appropriate, the Compensation for Preconstruction Services under this Agreement.

ARTICLE 5 SUBCONTRACTS

5.1 SUBCONTRACTORS Subcontracts shall be issued on a lump sum basis unless Owner has given prior written approval of a different method of payment to the Subcontractor.

5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

5.2.1 Promptly after the execution of this Agreement, CM/GC shall provide Owner, and, if directed, Design Professional with a written list of the proposed subcontractors and significant Suppliers. If Owner has a reasonable objection to any proposed subcontractor or material supplier, Owner shall notify CM/GC in writing. Failure to promptly object shall constitute acceptance.

5.2.2 If Owner has reasonably and promptly objected, CM/GC shall not contract with the proposed Subcontractor or Supplier, and CM/GC shall propose another acceptable Subcontractor or Supplier to Owner. An appropriate Change Order shall reflect any increase or decrease in the GMP or Dates of Substantial or Final Completion because of the substitution.

5.3 BINDING OF SUBCONTRACTORS AND SUPPLIERS CM/GC agrees to bind every Subcontractor and Supplier (and require every Subcontractor to so bind its subcontractors and significant suppliers) to the Contract Documents as they apply to the Subcontractor's or Supplier's applicable provisions to that portion of the Work.

5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

5.4.1 If this Agreement is terminated, each subcontract and supply agreement shall be assigned by CM/GC to Owner, subject to the prior rights of any surety, provided that:

5.4.1.1 this Agreement is terminated by Owner pursuant to §12.4 or §12.5; and

5.4.1.2 Owner accepts such assignment after termination by notifying the CM/GC and Subcontractor or CM/GC and Supplier in writing, and assumes all rights and obligations of CM/GC pursuant to each subcontract or supply agreement.

5.4.2 If Owner accepts such an assignment, and the Work has been suspended for more than thirty (30) consecutive Days, following termination, the Subcontractor's or Supplier's compensation shall be equitably adjusted as a result of the suspension.

ARTICLE 6 TIME

6.1 DATE OF COMMENCEMENT The Date of Commencement shall be fifteen (15) days after CM/GC's receipt of the latter of the following:

1. Fully executed Agreement including the GMP Amendment.
2. Evidence of funding satisfactory to CM/GC (i.e., Owner's PO).
3. Issuance of Site Permit, Building Permit, and any other permits required to commence the Work and maintain unhindered progress.
4. Owner's Notice to Proceed with Construction.
5. Unhindered access to property, including any off-site Work



6.1.1 SUBSTANTIAL/FINAL COMPLETION Unless the Parties agree otherwise, the Date of Substantial Completion or the Date of Final Completion shall be established in Amendment 1 to this Agreement subject to adjustments as provided for in the Contract Documents. Owner and CM/GC may agree not to establish such dates, or in the alternative, to establish one but not the other of the two dates. If such dates are not established upon the execution of this Agreement, at such time as GMP is accepted a Date of Substantial Completion or Date of Final Completion of the Work shall be established in Amendment 1. If a GMP is not established and the Parties desire to establish a Date of Substantial Completion or Date of Final Completion, it shall be set forth in Amendment 1. The dates for Substantial and Final Completion are subject to adjustments as provided for in the Contract Documents.

6.1.2 Time is of the essence with regard to the obligations of the Contract Documents.

6.1.3 Unless instructed by Owner in writing, CM/GC shall not knowingly commence the Work before the effective date of CM/GC's required insurance.

6.2 SCHEDULE OF THE WORK

6.2.1 Before submitting its first application for payment, CM/GC shall submit to Owner and, if directed, Design Professional a Schedule of the Work showing the dates on which CM/GC plans to begin and complete various parts of the Work, including dates on which information and approvals are required from Owner. Except as otherwise directed by Owner, CM/GC shall comply with the approved Schedule of the Work or CM/GC. Unless otherwise agreed, the Schedule of the Work shall be formatted in a detailed precedence-style critical path method that (a) provides a graphic representation of all activities and events, including float values that will affect the critical path of the Work, and (b) identifies dates that are critical to ensure timely and orderly completion of the Work. CM/GC shall update the Schedule of the Work on a monthly basis or as mutually agreed by the Parties.

6.2.2 Owner may determine the sequence in which the Work shall be performed, provided it does not unreasonably interfere with the approved project schedule. Owner may require CM/GC to make reasonable changes in the sequence at any time during the performance of the Work in order to facilitate the performance of work by Owner or Others. If CM/GC consequently incurs costs or is delayed, the GMP or the Dates of Substantial or Final Completion, or both, CM/GC may seek equitable adjustment under ARTICLE 9.

6.3 DELAYS AND EXTENSIONS OF TIME

6.3.1 If CM/GC is delayed at any time in the commencement or progress of the Work by any cause beyond the control of CM/GC, CM/GC shall be entitled to an equitable extension of the Date of Substantial Completion or Date of Final Completion, and related Overhead and expenses. Examples of causes beyond the control of CM/GC include, but are not limited to, the following: (a) acts or omissions of Owner, Design Professional, or Others; (b) changes in the Work or the sequencing of the Work ordered by Owner, or arising from decisions of Owner that impact the time of performance of the Work; (c) encountering Hazardous Materials, or concealed or unknown conditions; (d) delay authorized by Owner pending dispute resolution or suspension by Owner under §12.1; (e) transportation delays not reasonably foreseeable; (f) labor disputes not involving CM/GC; (g) general labor disputes impacting the Project but not specifically related to the Worksite; (h) fire; (i) Terrorism; (j) disruptions in labor or materials resulting from a health crisis regardless of whether epidemic, pandemic or isolated to areas from which such labor and materials are supplied; (k) adverse governmental actions; (l) unavoidable accidents or circumstances; (m) adverse weather conditions not reasonably anticipated; or (n) Force Majeure Events. CM/GC shall submit any requests for equitable extensions of Contract Time in accordance with the provisions of ARTICLE 9.



Any time gained by the CM/GC on the Schedule of Work shall not be offset against any delays as described herein.

6.3.1.1 When adverse weather conditions occur, and delay critical path activities, Contractor shall be entitled to an extension of the Critical Path Schedule, determined on a per building basis, for each day the adverse weather condition occurs along with each subsequent day that construction is delayed due to such adverse condition. Such request shall be specific as to each building. Once approved by Owner, such weather delays shall increase the schedule for the affected building(s) on a day for day basis.

6.3.1.2 If CM/GC is delayed in the performance of the Work due to Wood-frame construction having microbial growth present as milled wood is a natural, nutrient-rich product and it is not practical to eliminate naturally occurring microbial growth during construction, CM/GC shall not be liable for natural microbial growth during the course of construction, other than to clean materials consistent with industry standards and shall be responsible for same through Substantial Completion. If Owner decides to remediate naturally occurring microbial growth beyond industry standards prior to Substantial Completion, Owner agrees to do so at Owner's own expense and any delay to CM/GC as a result of same shall entitle Design-Builder to additional Contract Time and General Conditions costs.

6.3.2 In addition, if CM/GC incurs additional costs as a result of a delay that is caused by items (a) through (n) immediately above, CM/GC shall be entitled to an equitable adjustment in the GMP subject to §6.7.

6.3.3 NOTICE OF DELAYS If delays to the Work are encountered for any reason, CM/GC shall provide prompt written notice to Owner of the cause of such delays after CM/GC first recognizes the delay. The Parties each agree to take reasonable steps to mitigate the effect of such delays.

6.4 NOTICE OF DELAY CLAIMS If CM/GC requests an equitable extension of the Contract Time or an equitable adjustment in the Contract Price as a result of a delay described in §6.3, CM/GC shall give Owner written notice of the claim in accordance with §9.4. If CM/GC causes delay in the completion of the Work, Owner shall be entitled to recover its additional costs subject to §6.7. Owner shall process any such claim against CM/GC in accordance with ARTICLE 9.

6.5 MONITORING PROGRESS AND COSTS Following acceptance by Owner of the GMP, CM/GC shall establish a process for monitoring actual costs against the GMP and actual progress against the Schedule of Work. CM/GC will provide written reports to Owner at intervals as agreed to by the Parties on the status of the Work, showing variances between actual costs and the GMP and actual progress as compared to the Schedule of Work, including estimates of future costs and recovery programs if actual progress indicates that the Dates of Substantial Completion or Final Completion may not be met.

6.6 LIQUIDATED DAMAGES

6.6.1 SUBSTANTIAL COMPLETION Liquidated damages based on the Substantial Completion date shall apply.

6.6.1.1 Owner will suffer damages which are difficult to determine and accurately specify if the Substantial Completion date, which may be amended by Change Order, is not attained. CM/GC shall pay Owner Two Hundred Dollars (\$200) as liquidated damages and not as a penalty for each Day that Substantial Completion extends beyond the Substantial Completion date. Parties expressly acknowledge and agree that it would be difficult or impossible to determine with absolute precision the amount of damages that would be



incurred by Owner as a result of CM/GC's failure to perform the Work in accordance with and within the time specified in this Contract. The Parties accordingly agree, having taken into account all factors that they deem appropriate, including all of the respective rights and obligations under this Contract, that liquidated damages are in lieu of actual damages and are the Parties' reasonable estimate of fair compensation for the losses that are reasonably anticipated to be incurred by Owner from CM/GC's failure to timely perform in accordance with the Contract, and do not constitute a penalty. The payment of liquidated damages (and, to the extent applicable, termination of the Contract by Owner for default in accordance with the terms hereof) shall be CM/GC's sole and exclusive obligation and Owner's sole and exclusive remedy with respect to the failure to timely perform in accordance with the guaranteed dates set forth in this Contract.

6.6.2 ACTUAL DAMAGES In the event that the provisions for the payment of liquidated damages in this Contract are held to be unenforceable as a matter of law, CM/GC agrees to pay to Owner all actual damages suffered by Owner due to the circumstances giving rise to the liability to pay liquidated damages (had they been enforceable). Any such actual damages shall be subject to the waiver of consequential damages in Section 6.7 but in no event, shall the amount paid to Owner as actual damages exceed the amount that would have been calculated and paid as Liquidated Damages.

6.7 LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES Except for damages mutually agreed upon by the Parties as liquidated damages in §6.6 and excluding losses covered by insurance required by the Contract Documents, the Parties agree to waive all claims against each other for any consequential damages that may arise out of or relate to this Agreement. Owner agrees to waive damages including but not limited to Owner's loss of use of the Project, any rental expenses incurred, loss of income, increased financing costs, profit, or financing related to the Project, as well as the loss of business, loss of financing, loss of profits not related to this Project, loss of reputation, or insolvency. CM/GC agrees to waive damages including but not limited to loss of business, loss of financing, loss of profits not related to this Project, loss of bonding capacity, loss of reputation, or insolvency. The provisions of this section shall also apply to the termination of this Agreement and shall survive such termination.

ARTICLE 7 COMPENSATION AND GUARANTEED MAXIMUM PRICE

7.1 The CM/GC guarantees that the contract sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, as it is amended from time to time. To the extent the Cost of the Work exceeds the Guaranteed Maximum Price, the CM/GC shall bear such costs in excess of the Guaranteed Maximum Price without reimbursement or additional compensation from the Owner. To the extent the Cost of the Work is less than the Guaranteed Maximum Price, the CM/GC and Owner shall share in such savings:

(Insert specific provisions if the Construction Manager (CM) is to participate in any savings.)

Percentage Split of GMP Savings: 100% to Owner / 0% to CM/GC.

7.2 Owner shall compensate CM/GC for Work performed on the following basis:

7.2.1 the Cost of the Work as allowed in ARTICLE 8; and

7.2.2 CM/GC's Fee paid in proportion to the Work performed subject to adjustment as provided in §7.5.

7.3 The compensation to be paid shall be limited to the GMP established in Amendment 1, as the GMP may be adjusted under ARTICLE 9.



7.3.1 Payment for Work performed shall be as set forth in ARTICLE 10.

7.4 CM/GC'S FEE CM/GC's Fee shall be as follows, subject to adjustment as provided in §7.5: equal to Five percent (5.0%) of the GMP.

7.5 FEE ADJUSTMENTS:

7.5.1 Changes in the Work as provided in ARTICLE 9, shall adjust CM/GC's Fee as follows: Five percent (5%) profit.

7.5.2 except as provided for in §6.3, delays in the Work not caused by CM/GC shall adjust CM/GC's Fee to compensate for increased expenses as provided for in ARTICLE 9; and

7.5.3 managing the replacement of an insured or uninsured loss shall increase CM/GC's fee in the same proportion that CM/GC's Fee bears to the estimated Cost of the Work for the replacement.

7.6 PRECONSTRUCTION SERVICES COMPENSATION CM/GC shall be compensated for Preconstruction Services as follows: Twelve Thousand, Seven Hundred Sixty-Four and NO/100 Dollars (\$12,764.00).

ARTICLE 8 COST OF THE WORK

8.1 Owner agrees to pay CM/GC for the Cost of the Work as defined in this article. This payment shall be in addition to CM/GC's Fee stipulated in §7.4.

8.2 COST ITEMS

8.2.1 General Conditions Costs – The General Conditions Costs shall be a stipulated lump sum as defined in the GMP. The General Conditions Costs shall consist of the General Requirements; Warranty, Premiums for Insurance and Bonds; and all applicable taxes.

8.2.1.1 The General Requirements shall include, but is not limited to, the following types of costs incurred during the performance of the construction phase:

- 8.2.1.1.1 payroll costs for the project manager; payroll costs for the superintendent and full-time general foremen; payroll costs for administrative and management personnel resident and working on or off the site;
- 8.2.1.1.2 cost for employee benefits, premiums, taxes, insurance contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by CM/GC;
- 8.2.1.1.3 cost of workers not included as direct labor costs engaged in support functions (e.g., loading/unloading, clean-up);
- 8.2.1.1.4 cost of offices and temporary facilities including office materials, office supplies, office equipment, minor expenses, utilities, fuel, sanitary facilities and telephone services at the site;
- 8.2.1.1.5 cost of consultants not in the direct employ of the CM/GC or subcontractors;
- 8.2.1.1.6 The reasonable cost of travel, accommodations and meals for CM/GC's personnel necessarily and directly incurred in connection with the performance of the Work.CM/GC



8.2.1.2 The direct cost and management required to provide the Warranty required by this Agreement or the performance of the Work.

8.2.1.3 Insurance and Bond Premiums required by this Agreement or the performance of the Work.

8.2.1.4 The cost of sales, use, privilege or similar taxes or duties incurred in the performance of the Work.

8.2.2 Reasonable transportation, travel, hotel, and moving expenses of CM/GC's personnel incurred in connection with the Work.

8.2.3 Cost of all materials, supplies, and equipment incorporated in the Work, including costs of inspection and testing if not provided by Owner, transportation, storage, and handling.

8.2.4 Payments made by CM/GC to Subcontractors for work performed under this Agreement.

8.2.5 Cost, including transportation and maintenance of all materials, supplies, equipment, temporary facilities, and hand tools not owned by the workers that are used or consumed in the performance of the Work, less salvage value or residual value; and cost less salvage value on such items used, but not consumed that remain the property of CM/GC.

8.2.6 Rental charges of all necessary machinery and equipment, exclusive of hand tools owned by workers, used at the Worksite, whether rented from CM/GC or others, including installation, repair, and replacement, dismantling, removal, maintenance, transportation, and delivery costs. Rental from unrelated third parties shall be reimbursed at actual cost. Rentals from CM/GC or its affiliates, subsidiaries, or related parties shall be reimbursed at the prevailing rates in the locality of the Worksite up to eighty-five percent (85%) of the value of the piece of equipment.

8.2.7 Tariffs, or duties related to the Work for which CM/GC is liable.

8.2.8 Permits, fees, licenses, tests, royalties.

8.2.9 Losses, expenses, or damages to the extent not compensated by insurance or otherwise, and the cost of corrective work during the Construction Phase and for a one-year period following the Date of Substantial Completion, provided that such losses, expenses, damages, or corrective work did not arise from CM/GC's negligence.

8.2.10 Costs associated with establishing, equipping, operating, maintaining, and demobilizing the field office.

8.2.11 Water, power, and fuel costs necessary for the Work.

8.2.12 Cost of removal of all nonhazardous substances, debris, and waste materials.

8.2.13 Costs incurred due to an emergency affecting the safety of persons or property.

8.2.14 Legal, mediation, and arbitration fees and costs, other than those arising from disputes between Owner and CM/GC, reasonably and properly resulting from CM/GC's performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.



8.2.15 Costs directly incurred in the performance of the Work or in connection with the Project, and not included in CM/GC's Fee as set forth in ARTICLE 7, which are reasonably inferable from the Contract Documents.

8.3 DISCOUNTS All discounts for prompt payment shall accrue to Owner to the extent such payments are made directly by Owner. To the extent payments are made with funds of CM/GC, all cash discounts shall accrue to CM/GC. All trade discounts, rebates, and refunds, and all returns from sale of surplus materials and equipment, shall be credited to the Cost of the Work.

ARTICLE 9 CHANGES

Changes in the Work that are within the general scope of this Agreement shall be accomplished, without invalidating this Agreement, by Change Order and Interim Directive.

9.1 CHANGE ORDER

9.1.1 CM/GC may request, or Owner may order changes in the Work or the timing or sequencing of the Work that impacts the GMP or the estimated Cost of the Work, CM/GC's Fee, Date of Substantial Completion or Date of Final Completion and, if appropriate, the Compensation for Preconstruction Services. All such changes in the Work shall be formalized in a Change Order. Any such requests for changes in the Work shall be processed in accordance with this article.

9.1.2 For changes in the Work, the Parties shall negotiate an equitable adjustment to the GMP or the Date of Substantial Completion or Date of Final Completion in good faith and conclude negotiations as expeditiously as possible. Acceptance of the Change Order and any equitable adjustment in the GMP or Date of Substantial Completion or Date of Final Completion shall not be unreasonably withheld.

9.1.3 NO OBLIGATION TO PERFORM CM/GC shall not be obligated to perform changes in the Work that impact the GMP or the estimated Cost of the Work, CM/GC's Fee, Date of Substantial Completion or Date of Final Completion without a Change Order or Interim Directive.

9.2 INTERIM DIRECTIVES

9.2.1 Owner may issue an Interim Directive directing a change in the Work before reaching agreement with CM/GC on the adjustment, if any, in the GMP, CM/GC's Fee, Date of Substantial Completion or Date of Final Completion, or directing CM/GC to perform Work that Owner believes is not a change. If the Parties disagree that the Interim Directed work is within the scope of the Work, CM/GC shall perform the disputed Work and furnish Owner with an estimate of the costs to perform the disputed work in accordance with Owner's interpretations.

9.2.2 The Parties shall negotiate expeditiously and in good faith for appropriate adjustments, as applicable, to the GMP or the Date of Substantial Completion or Date of Final Completion arising out of an Interim Directive. As the directed Work is performed, CM/GC shall submit its costs for such Work with its application for payment beginning with the next application for payment within thirty (30) Days of the issuance of the Interim Directive. If there is a dispute as to the cost to Owner, Owner shall pay CM/GC fifty percent (50%) of its actual (incurred or committed) cost to perform the Work. In such event, the Parties reserve their rights as to the disputed amount, subject to the requirements of ARTICLE 13. Owner's payment does not prejudice its right to be reimbursed should it be determined that the disputed work was within the scope of the Work. CM/GC's receipt of payment for the disputed work does not prejudice its right to receive full payment for the disputed work should it be determined that the disputed work is not within the scope of the Work. Undisputed amounts may be included in applications for payment and shall be paid by Owner in accordance with this Agreement.



9.2.3 When the Parties agree upon the adjustments in the GMP or the Date of Substantial Completion or Date of Final Completion, for a change in the Work directed by an Interim Directive, such agreement shall be the subject of an appropriate Change Order. The Change Order shall include all outstanding Interim Directives on which the Parties have reached agreement on GMP, or the Date of Substantial Completion or Date of Final Completion issued since the last Change Order.

9.3 DETERMINATION OF COST

9.3.1 An increase in the GMP or the Date of Substantial Completion or Date of Final Completion resulting from a change in the Work shall be determined by one or more of the following methods:

9.3.1.1 unit prices set forth in this Agreement or as subsequently agreed, plus Ten percent (10%) Overhead and Five percent (5.0%) profit;

9.3.1.2 a mutually accepted, itemized lump sum including Ten percent (10%) Overhead and Five percent (5.0%) profit;

9.3.1.3 Cost of the Work as defined by ARTICLE 8 and determined as a net savings from the change in the work; plus Ten percent (10%) for Overhead and Five percent (5.0%) for profit.

9.3.1.4 If there is a net increase in the GMP, CM/GC's Fee shall be adjusted accordingly. In case of a net decrease in the GMP, CM/GC's Overhead and Fee shall not be adjusted. CM/GC shall maintain a documented, itemized accounting evidencing the expenses and savings.

9.3.2 If unit prices are set forth in the Contract Documents or are subsequently agreed to by the Parties, but the character or quantity of such unit items as originally contemplated is so different in a proposed Change Order that the original unit prices will cause substantial inequity to either Party, such unit prices shall be equitably adjusted.

9.3.3 If the Parties disagree as to whether work required by Owner is within the scope of the Work, CM/GC shall furnish Owner with an estimate of the costs to perform the disputed work in accordance with Owner's interpretations.

9.4 CHANGES NOTICE Except as provided in §6.3.2 and §6.4 for any claim for an increase in the GMP or the Date of Substantial Completion or Date of Final Completion, CM/GC shall give Owner written notice of the claim within fourteen (14) Days after the occurrence giving rise to the claim or within fourteen (14) Days after CM/GC first recognizes the condition giving rise to the claim, whichever is later. Owner's failure to so respond shall be deemed a denial of CM/GC's claim. Except in an emergency, notice shall be given before proceeding with the Work. Thereafter, CM/GC shall submit written documentation of its claim, including appropriate supporting documentation, within twenty-one (21) Days after giving notice, unless the Parties mutually agree upon a longer period of time. No later than fourteen (14) Days after receipt, Owner shall respond in writing denying or approving the claim. Owner's failure to so respond shall be deemed a denial of the claim. Any change in the GMP or the Date of Substantial Completion or Date of Final Completion resulting from such claim shall be authorized by Change Order.

9.5 INCIDENTAL CHANGES Owner may direct CM/GC to perform incidental changes in the Work, upon concurrence with CM/GC that such changes do not involve adjustments in the Contract Price or the Contract Time. Incidental changes shall be consistent with the scope and intent of the Contract Documents. Owner shall initiate an incidental change in the Work by issuing a written order to CM/GC. Such written notice shall be carried out promptly and is binding on the Parties.



ARTICLE 10 PAYMENT

10.1 SCHEDULE OF VALUES Within twenty-one (21) Days from the date of execution of this Agreement, CM/GC shall prepare and submit to Owner and Design Professional a schedule of values apportioned to the various divisions or phases of the Work. Each line item contained in the schedule of values shall be assigned a value such that the total of all items shall equal the GMP.

10.2 PROGRESS PAYMENTS

10.2.1 APPLICATIONS CM/GC shall submit to Owner and, if directed, Design Professional a monthly application for payment no later than the last Day of the calendar month for the preceding calendar month. CM/GC's applications for payment shall be itemized and supported by CM/GC's schedule of values based on a percentage of completion and shall include any other substantiating data as required by this Agreement. Applications for payment shall include payment requests on account of properly authorized Change Orders or Interim Directives. Owner shall pay the amount otherwise due on any payment application, as certified by Design Professional, no later than thirty (30) Days after accepting such application. Owner may deduct from any progress payment amounts that may be retained pursuant to §10.2.4.

10.2.2 STORED MATERIALS AND EQUIPMENT Applications for payment may include materials and equipment not yet incorporated into the Work but delivered to and suitably stored onsite or offsite including applicable insurance, storage, and costs incurred transporting the materials to an offsite storage facility. Approval of payment applications for stored materials and equipment stored offsite shall be conditioned on a submission by CM/GC of bills of sale and proof of required insurance, or such other documentation satisfactory to Owner to establish the proper valuation of the stored materials and equipment, Owner's title to such materials and equipment, and to otherwise protect Owner's interests therein, including transportation to the Worksite.

10.2.3 LIEN WAIVERS AND LIENS

10.2.3.1 PARTIAL LIEN WAIVERS AND AFFIDAVITS If required by Owner, as a prerequisite for payment, CM/GC shall provide a partial lien and claim waiver in the amount of the application for payment and affidavits from its Subcontractors and Suppliers for the completed Work. Such waivers shall be conditional upon payment. In no event shall CM/GC be required to sign an unconditional waiver of lien or claim, before receiving payment or in an amount in excess of what it has been paid.

10.2.3.2 RESPONSIBILITY FOR LIENS If Owner has made payments in the time required by this article, CM/GC shall, within thirty (30) Days after filing, remove any liens filed against the premises or public improvement fund by any party or parties performing labor or services or supplying materials in connection with the Work. If CM/GC fails to take such action on a lien, Owner may cause the lien to be removed at CM/GC's expense, including bond costs and reasonable attorneys' fees. This subsection shall not apply if there is a dispute pursuant to ARTICLE 13 relating to the subject matter of the lien.

10.2.4 RETAINAGE From each progress payment made before Substantial Completion, Owner may retain Five percent (5%) of the Work, exclusive of the CM/GC's Fee and General Conditions costs, of the amount otherwise due after deduction of any amounts as provided in §10.3, provided such percentage doesn't exceed the Law. If Owner chooses to use this retainage provision:

10.2.4.1 after the Work is fifty percent (50%) complete, one-half (1/2) of the amount retained shall be paid to the CM/GC on the CM/GC's request provided the CM/GC is making satisfactory progress on the contract and there is no specific cause or claim requiring a



greater amount to be retained, except that if any time the Owner determines satisfactory progress is not being made, five percent (5%) retention shall be reinstated for all progress payments made under the contract after the determination;

10.2.4.2 Owner may, in its sole discretion, reduce the amount to be retained at any time;

10.2.4.3 Owner may release retainage on that portion of the Work a Subcontractor has completed in whole or in part, and which Owner has accepted. In lieu of retainage, CM/GC may furnish a retention bond or other security interest acceptable to Owner, to be held by Owner.

10.3 ADJUSTMENT OF CM/GC'S PAYMENT APPLICATION Owner may adjust or reject a payment application or nullify a previously approved payment application, in whole or in part, as may reasonably be necessary to protect Owner from loss or damage based upon the following, to the extent that CM/GC is responsible under this Agreement:

10.3.1 CM/GC's repeated failure to perform the Work as required by the Contract Documents;

10.3.2 except as accepted by the insurer providing builder's risk or other property insurance covering the Project, loss or damage arising out of or relating to this Agreement and caused by CM/GC to Owner or others to whom Owner may be liable;

10.3.3 CM/GC's failure to properly pay Subcontractors and Suppliers following receipt of such payment from Owner for that portion of the Work or for supplies, provided that Owner is making payments to CM/GC in accordance with this Agreement;

10.3.4 rejected or Defective Work not corrected in a timely fashion;

10.3.5 reasonable evidence of delay in performance of the Work such that the Work will not be completed by the Dates of Substantial or Final Completion;

10.3.6 reasonable evidence demonstrating that the unpaid balance of the GMP is insufficient to fund the cost to complete the Work; and

10.3.7 uninsured third-party claims involving CM/GC or reasonable evidence demonstrating that third-party claims are likely to be filed unless and until CM/GC furnishes Owner with adequate security in the form of a surety bond, letter of credit, or other collateral or commitment sufficient to discharge such claims if established.

No later than seven (7) Days after receipt of an application for payment, Owner shall give written notice to CM/GC, at the time of disapproving or nullifying all or part of an application for payment, stating its specific reasons for such disapproval or nullification, and the remedial actions to be taken by CM/GC in order to receive payment. When the above reasons for disapproving or nullifying an application for payment are removed, payment will be promptly made for the amount previously withheld.

10.4 ACCEPTANCE OF WORK Neither Owner's payment of progress payments nor its partial or full use or occupancy of the Project constitutes acceptance of Work not complying with the Contract Documents.

10.5 PAYMENT DELAY If for any reason not the fault of CM/GC, CM/GC does not receive a progress payment from Owner within seven (7) Days after the time such payment is due, then CM/GC, upon giving seven (7) Days' written notice to Owner, and without prejudice to and in addition to any other legal remedies, may stop Work until payment of the full amount owing to CM/GC has been received, including



interest for late payment. If CM/GC incurs costs or is delayed resulting from shutdown, delay, and start-up, CM/GC may seek an equitable adjustment in the GMP and Dates of Substantial or Final Completion may be equitably adjusted by a Change Order in accordance with ARTICLE 9.

10.6 SUBSTANTIAL COMPLETION

10.6.1 CM/GC shall notify Owner and, if directed, Design Professional when it considers Substantial Completion of the Work or a designated portion to have been achieved. Owner, with the assistance of its Design Professional, shall promptly conduct an inspection to determine whether the Work or designated portion can be occupied or used for its intended use by Owner without excessive interference in completing any remaining unfinished Work. If Owner determines that the Work or designated portion has not reached Substantial Completion, Owner, with the assistance of its Design Professional, shall promptly compile a list of items to be completed or corrected so Owner may occupy or use the Work or designated portion for its intended use. CM/GC shall promptly complete all items on the list.

10.6.2 When Substantial Completion of the Work or a designated portion is achieved, CM/GC shall prepare a Certificate of Substantial Completion establishing the date of Substantial Completion and the respective responsibilities of each Party for interim items such as security, maintenance, utilities, insurance, and damage to the Work, and fixing the time for completion of all items on the list accompanying the Certificate. The Certificate of Substantial Completion shall be submitted by CM/GC to Owner and, if directed, to Design Professional for written acceptance of responsibilities assigned in the Certificate of Substantial Completion.

10.6.3 Unless otherwise provided in the Certificate of Substantial Completion, warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or a designated portion.

10.6.4 Upon Owner's written acceptance of the Certificate of Substantial Completion, Owner shall pay to CM/GC the remaining retainage held by Owner for the Work described in the Certificate of Substantial Completion less a sum equal to one hundred and fifty percent (150%) of the estimated cost of completing or correcting remaining items on that part of the Work, as agreed to by the Parties as necessary to achieve Final Completion. Uncompleted items shall be completed by CM/GC in a mutually agreed upon timeframe. Owner shall pay CM/GC monthly the amount retained for unfinished items as each item is completed.

10.7 PARTIAL OCCUPANCY OR USE

10.7.1 Owner may occupy or use completed or partially completed portions of the Work when (a) the portion of the Work is designated in a Certificate of Substantial Completion, (b) appropriate insurer(s) consent to the occupancy or use, and (c) public authorities authorize the occupancy or use. CM/GC shall not unreasonably withhold consent to partial occupancy or use. Owner shall not unreasonably refuse to accept partial occupancy.

10.8 FINAL COMPLETION AND FINAL PAYMENT

10.8.1 Upon notification from CM/GC that the Work is complete and ready for final inspection and acceptance, Owner, with the assistance of its Design Professional shall promptly conduct an inspection to determine if the Work has been completed and is acceptable under the Contract Documents.



10.8.2 When the Work is complete, CM/GC shall prepare for Owner's written acceptance a final application for payment stating that to the best of CM/GC's knowledge, and based on Owner's inspections, the Work has reached Final Completion in accordance with the Contract Documents.

10.8.3 Final payment of the balance of the GMP shall be made to CM/GC within twenty (20) Days after CM/GC has submitted an application for final payment, including submissions required under §10.8.4, and a Certificate of Final Completion has been executed by the Parties.

10.8.4 Final payment shall be due on CM/GC's submission of the following to Owner:

10.8.4.1 an affidavit declaring any indebtedness connected with the Work, to have been paid, satisfied, or to be paid with the proceeds of final payment, so as not to encumber Owner's property;

10.8.4.2 as-built drawings, manuals, copies of warranties, and all other close-out documents required by the Contract Documents;

10.8.4.3 release of any liens, conditioned on final payment being received;

10.8.4.4 consent of any surety; and

10.8.4.5 any outstanding known and unreported accidents or injuries experienced by CM/GC or its Subcontractors at the Worksite.

10.8.5 If, after Substantial Completion of the Work, the Final Completion of a portion of the Work is materially delayed through no fault of CM/GC, Owner shall pay the balance due for any portion of the Work fully completed and accepted. If the remaining contract balance for Work not fully completed and accepted is less than the retained amount before payment, CM/GC shall submit to Owner and, if directed, Design Professional the written consent of any surety to payment of the balance due for portions of the Work that are fully completed and accepted. Such payment shall not constitute a waiver of claims but otherwise shall be governed by this §10.8.

10.8.6 OWNER RESERVATION OF CLAIMS Owner's claims not reserved in writing with final payment are waived, except for claims relating to liens or similar encumbrances, warranties, Defective Work, and latent defects.

10.8.7 ACCEPTANCE OF FINAL PAYMENT Unless CM/GC provides written identification of unsettled claims with an application for final payment, its acceptance of final payment constitutes a waiver of such claims.

10.9 LATE PAYMENT Payments due but unpaid shall bear interest from the date payment is due at the statutory rate at the place of the Project.

ARTICLE 11 INDEMNITY, INSURANCE, AND BONDS

11.1 INDEMNITY

11.1.1 To the fullest extent permitted by law, CM/GC shall indemnify and hold harmless Owner, Owner's officers, directors, members, consultants, agents, and employees, Design Professional, and Others (the "Indemnitees") from all claims for bodily injury and property damage, other than to the Work itself and other property insured, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of the Work, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of CM/GC, Subcontractors, Suppliers, Subsubcontractors, or



anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable. CM/GC shall be entitled to reimbursement of any defense costs paid above CM/GC's percentage of liability for the underlying claim to the extent provided for by §11.1.2. Notwithstanding anything to the contrary in this Section, CM/GC's obligations hereunder do not extend to any claims, damages, losses, and expenses arising out of or resulting from the sole negligence or willful misconduct of an Indemnitee.

11.1.2 To the fullest extent permitted by law, Owner shall indemnify and hold harmless CM/GC, its officers, directors, members, consultants, agents, and employees, Subcontractors, Suppliers, or anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable from all claims for bodily injury and property damage, other than property insured, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of work by Owner, Design Professional, or Others, but only to the extent caused by the negligent or intentionally wrongful acts or omissions by Owner, Design Professional, or Others. Owner shall be entitled to reimbursement of any defense costs paid above Owner's percentage of liability for the underlying claim to the extent provided for by §11.1.1. Notwithstanding anything to the contrary in this Section, Owner's obligations hereunder do not extend to any claims, damages, losses, and expenses arising out of or resulting from the sole negligence or willful misconduct of an Indemnitee.

11.1.3 NO LIMITATION ON LIABILITY In any and all claims against the Indemnitees by any employee of CM/GC, anyone directly or indirectly employed by CM/GC, or anyone for whose acts CM/GC may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for CM/GC under workers' compensation acts, disability benefit acts, or other employment benefit acts.

11.2 INSURANCE

11.2.1 Before starting the Work and as a condition precedent to payment, CM/GC shall procure and maintain in force Workers' Compensation Insurance, Employers' Liability Insurance, Business Automobile Liability Insurance, and Commercial General Liability Insurance ("CGL"). The CGL policy shall include coverage for liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, contractual liability, and broad form property damage. CM/GC shall maintain completed operations liability insurance for one year after Substantial Completion, or as required by the Contract Documents, whichever is longer. CM/GC's Employers' Liability, Business Automobile Liability and CGL policies shall be written with at least the following limits of liability:

11.2.1.1 As per the attached Exhibit B.

11.2.2 Employers' Liability, Business Automobile Liability, and CGL coverages required under §11.2.1 may be provided by a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or umbrella liability policies.

11.2.3 CM/GC shall maintain in effect all insurance coverage required under §11.2.1 with insurance companies lawfully authorized to do business in the jurisdiction in which the Project is located. If CM/GC fails to obtain or maintain any insurance coverage required under this Agreement, Owner may purchase such coverage and charge the expense to CM/GC or terminate this Agreement.

11.2.4 To the extent commercially available to CM/GC from its current insurance company, insurance policies required under §11.2.1 shall contain a provision that the insurance company or its designee must give Owner written notice transmitted in paper or electronic format: (a) 30 Days before coverage is nonrenewed by the insurance company and (b) within 10 Business Days after cancelation of coverage by the insurance company. Before commencing the Work and upon renewal



or replacement of the insurance policies, CM/GC shall furnish Owner with certificates of insurance until one year after Substantial Completion or longer if required by the Contract Documents. In addition, if any insurance policy required under §11.2.1 is not to be immediately replaced without lapse in coverage when it expires, exhausts its limits, or is to be cancelled, CM/GC shall give Owner prompt written notice upon actual or constructive knowledge of such condition.

11.3 PROPERTY INSURANCE

11.3.1 Unless otherwise directed in writing by Owner, before starting the Work, CM/GC shall obtain and maintain a Builder's Risk Policy upon the entire Project for the full cost of replacement at the time of loss. This insurance shall also (a) name CM/GC, the Owner, Subcontractors, Subsubcontractors, and Design Professional as named insureds; (b) be written in such form to cover all risks of physical loss except those specifically excluded by the policy; and (c) insure at least against and not exclude:

11.3.1.1 the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft (except aircraft, including helicopter, operated by or on behalf of CM/GC) and vehicles, riot and civil commotion, theft, vandalism, malicious mischief, debris removal, flood, earthquake, earth movement, water damage, wind damage, testing if applicable, collapse, however caused;

11.3.1.2 damage resulting from defective design, workmanship, or material;

11.3.1.3 equipment breakdown, including mechanical breakdown, electrical injury to electrical devices, explosion of steam equipment, and damage to steam equipment caused by a condition within the equipment;

11.3.1.4 testing coverage for running newly installed machinery and equipment at or beyond the specified limits of their capacity to determine whether they are fit for their intended use; and

11.3.1.5 physical loss resulting from Terrorism.

11.3.2 The Party that is the primary cause of a Builder's Risk Policy claim shall be responsible for any deductible amounts or coinsurance payments. If no Party is the primary cause of a claim, then the Party obtaining and maintaining the Builder's Risk Policy pursuant to §11.3.1 shall be responsible for the deductible amounts or coinsurance payments. This policy shall provide for a waiver of subrogation. This insurance shall remain in effect until a written notice of Substantial Completion has been provided by the Owner. Partial occupancy or use of the Work shall not commence until CM/GC has secured the consent of the insurance company or companies providing the coverage required in this subsection. Before commencing the Work, the CM/GC shall provide a copy of the property policy or policies obtained in compliance with this §11.3.

11.3.3 The Parties each waive all rights against each other and their respective employees, agents, contractors, subcontractors, suppliers, subsubcontractors, and design professionals for damages caused by risks covered by the property insurance provided under §11.3.1, except such rights as they may have to the proceeds of the insurance. To the extent of the limits of CM/GC's Commercial General Liability Insurance specified in §11.2.1, CM/GC shall indemnify and hold harmless Owner against any and all liability, claims, demands, damages, losses, and expenses, including attorneys' fees, in connection with or arising out of any damage or alleged damage to any of Owner's existing adjacent property that may arise from the performance of the Work, to the extent caused by the negligent or intentionally wrongful acts or omissions of CM/GC, Subcontractor, Supplier, Subsubcontractor, or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable. The Owner or CM/GC, as appropriate, shall require of the Architect,



Architect's consultants, separate contractors, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein.

11.3.4 RISK OF LOSS Except to the extent a loss is covered by applicable insurance, risk of loss from damage to the Work shall be upon the Party obtaining and maintaining the Builder's Risk Policy pursuant to §11.3.1 until the Date of Final Completion.

11.3.5 POLLUTION LIABILITY INSURANCE As per the attached Exhibit B.

11.4 ADDITIONAL GENERAL LIABILITY COVERAGE The additional liability coverage required of the CM/GC shall be:

11.4.1 Additional Insured. The Owner and Architect shall be named as an additional insured on the CM/GC's CGL specified, for operations and completed operations, but only with respect to liability for bodily injury, property damage, or personal and advertising injury to the extent caused by the negligent acts or omissions of CM/GC, or those acting on the CM/GC's behalf, in the performance of the CM/GC's work for the Owner at the Worksites.

11.4.2 Any documented additional cost in the form of a surcharge associated with procuring the additional liability coverage in accordance with this subsection shall be paid by the Owner the costs may be reimbursed by the Owner to the CM/GC by increasing the Contract Price to correspond to the actual cost required to purchase and maintain the coverage. Before commencing the Work, CM/GC shall provide a certificate and endorsement evidencing that Owner has been named as an additional insured, as applicable.

11.4.3 ROYALTIES, PATENTS, AND COPYRIGHTS CM/GC shall pay all royalties and license fees which may be due on the inclusion of any patented or copyrighted materials, methods, or systems selected by CM/GC and incorporated in the Work. CM/GC shall defend, indemnify, and hold Owner harmless from all suits or claims for infringement of any patent rights or copyrights arising out of such selection. Owner agrees to defend, indemnify, and hold CM/GC harmless from any suits or claims of infringement of any patent rights or copyrights arising out of any patented or copyrighted materials, methods, or systems specified by Owner or Design Professional.

11.5 BONDS Performance and Payment Bonds ☒ are/ ☐ are not required of CM/GC. Such bonds shall be issued by a surety admitted in the state in which the Project is located and must be acceptable to Owner. Owner's acceptance shall not be withheld without a reasonable cause. The penal sum of the bonds shall each be one hundred percent (100%) of the GMP. CM/GC shall endeavor to keep its surety advised of changes potentially impacting the GMP and Contract Time, though CM/GC shall require that its surety waives any requirement to be notified of any alteration or extension of time.

11.6 PROFESSIONAL LIABILITY INSURANCE To the extent CM/GC is required to procure design services in accordance with §3.17, CM/GC shall require its design professionals to obtain professional liability insurance for claims arising from the negligent performance of professional services under this Agreement, with a company reasonably satisfactory to Owner, including coverage for all professional liability caused by any consultants to CM/GC's design professional, written for not less than One Million dollars (\$1,000,000) per claim and in the aggregate with the deductible not to exceed Fifty Thousand dollars (\$50,000). CM/GC's design professional shall pay the deductible.



ARTICLE 12 SUSPENSION, NOTICE TO CURE, AND TERMINATION

12.1 SUSPENSION BY OWNER FOR CONVENIENCE

12.1.1 OWNER SUSPENSION Should Owner order CM/GC in writing to suspend, delay, or interrupt the performance of the Work for the convenience of Owner and not due to any act or omission of CM/GC or any person or entity for whose acts or omissions CM/GC may be liable, then CM/GC shall immediately suspend, delay, or interrupt that portion of the Work for the time period ordered by Owner.

12.1.2 Any action taken by Owner that is permitted by any other provision of the Contract Documents and that results in a suspension of part, or all of the Work does not constitute a suspension of Work under this section.

12.2 NOTICE TO CURE A DEFAULT If CM/GC persistently fails to supply enough properly qualified workers, proper materials, or equipment to maintain the approved Schedule of the Work or fails to make prompt payment to its workers, Subcontractors, or Suppliers, disregards a Law or orders of any public authority having jurisdiction, or is otherwise guilty of a material breach of a provision of this Agreement, CM/GC may be deemed in default.

12.2.1 After receiving Owner's written notice, if CM/GC fails within seven (7) Days after receipt of written notice to commence and continue satisfactory correction of such default with diligence and promptness, then Owner shall give CM/GC a second notice to correct the default within three (3) Business Days after receipt. The second notice to CM/GC, and if applicable, the surety, may include, that Owner intends to terminate this Agreement for default absent appropriate corrective action.

12.2.2 If CM/GC fails to promptly commence and continue satisfactory correction of the default following receipt of such second notice, Owner without prejudice to any other rights or remedies may: (a) take possession of the Worksite; (b) complete the Work utilizing reasonable means; (c) withhold payment due to CM/GC; and (d) as Owner deems necessary, supply workers and materials, equipment, and other facilities for the satisfactory correction of the default, and charge CM/GC, the costs and expenses, including reasonable Overhead, profit, and attorneys' fees.

12.2.3 In the event of an emergency affecting the safety of persons or property, Owner may immediately commence and continue satisfactory correction of such default without first giving written notice to CM/GC but shall give CM/GC prompt written notice.

12.3 OWNER'S RIGHT TO TERMINATE FOR DEFAULT

12.3.1 Upon expiration of the second notice to cure pursuant to §12.2, and absent appropriate corrective action, Owner may terminate this Agreement by written notice. Termination for default is in addition to any other remedies available to Owner under §12.2.. If Owner's costs arising out of CM/GC's failure to cure, including the costs of completing the Work and reasonable attorneys' fees, exceed the unpaid GMP, CM/GC shall be liable to Owner for such excess costs. If Owner's costs are less than the unpaid GMP, Owner shall pay the difference to CM/GC. If Owner exercises its rights under this section, upon the request of CM/GC, Owner shall furnish to CM/GC a detailed accounting of the costs incurred by Owner.

12.3.2 If Owner or Others perform work under this section, Owner shall have the right to take and use any materials and supplies for which Owner has paid and located at the Worksite for the purpose of completing any remaining Work. Immediately upon completion of the Work, any remaining materials, and supplies not consumed or incorporated in the Work shall be returned to



CM/GC in substantially the same condition as when they were taken, reasonable wear and tear excepted.

12.3.3 If CM/GC files a petition under the Bankruptcy Code, this Agreement shall terminate if: (a) CM/GC or CM/GC's trustee rejects the Agreement; (b) a default occurred and CM/GC is unable to give adequate assurance of required performance; (c) CM/GC is otherwise unable to comply with the requirements for assuming this Agreement under the applicable provisions of the Bankruptcy Code.

12.3.4 Owner shall make reasonable efforts to mitigate damages arising from CM/GC's default, and shall promptly invoice CM/GC for all amounts due pursuant to §12.2 and §12.3.

12.4 TERMINATION BY OWNER FOR CONVENIENCE

12.4.1 Upon CM/GC's receipt of written notice from Owner, Owner may, without cause, terminate this Agreement. CM/GC shall immediately stop the Work, follow Owner's instructions regarding shutdown and termination procedures, and strive to minimize any further costs.

12.4.2 If Owner terminates this Agreement for convenience, CM/GC shall be paid (a) for the Work performed to date including Overhead and profit; (b) for all demobilization costs and costs incurred resulting from termination, but not including Overhead or profit on Work not performed; and (c) reasonable attorneys' fees and costs related to termination.

12.4.3 If Owner terminates this Agreement, CM/GC shall:

12.4.3.1 execute and deliver to Owner all papers and take all action required to assign, transfer, and vest in Owner the rights of CM/GC to all materials, supplies, and equipment for which payment has been or will be made in accordance with the Contract Documents and all subcontracts, orders, and commitments which have been made in accordance with the Contract Documents;

12.4.3.2 exert reasonable effort to reduce to a minimum Owner's liability for subcontracts, orders, and commitments that have not been fulfilled at the time of the termination;

12.4.3.3 cancel any subcontracts, orders, and commitments as Owner directs; and

12.4.3.4 sell at prices approved by Owner any materials, supplies, and equipment as Owner directs, with all proceeds paid or credited to Owner.

12.5 CM/GC'S RIGHT TO TERMINATE

12.5.1 Seven (7) Days after Owner's receipt of written notice from CM/GC, CM/GC may terminate this Agreement if the Work has been stopped for a thirty (30) Day period through no fault of CM/GC for any of the following reasons:

12.5.1.1 under court order or order of other governmental authorities having jurisdiction;

12.5.1.2 as a result of the declaration of a national emergency or other governmental act during which, through no act or fault of CM/GC, materials are not available; or

12.5.1.3 suspension by Owner for convenience pursuant to §12.1.



12.5.2 In addition, upon seven (7) Days' written notice to Owner and an opportunity to cure within three (3) Days, CM/GC may terminate this Agreement if Owner:

12.5.2.1 fails to furnish reasonable evidence pursuant to §4.2 that sufficient funds are available and committed for Project financing, or

12.5.2.2 assigns this Agreement over CM/GC's reasonable objection, or

12.5.2.3 fails to pay CM/GC in accordance with this Agreement and CM/GC has stopped Work in compliance with §10.5, or

12.5.2.4 otherwise materially breaches this Agreement.

12.5.3 Upon termination by CM/GC in accordance with this section, CM/GC shall be entitled to recover from Owner payment for all Work executed and for any proven loss, cost, or expense in connection with the Work, including all demobilization costs plus reasonable Overhead and profit on Work not performed.

12.6 OBLIGATIONS ARISING BEFORE TERMINATION Even after termination, the provisions of this Agreement still apply to any Work performed, payments made, events occurring, costs charged or incurred, or obligations arising before the termination date.

ARTICLE 13 DISPUTE AND RESOLUTION

13.1 WORK CONTINUANCE AND PAYMENT Unless otherwise agreed in writing, CM/GC shall continue the Work and maintain the Schedule of the Work during any dispute resolution proceedings. If CM/GC continues to perform, Owner shall continue to make payments in accordance with this Agreement.

13.2 DIRECT DISCUSSIONS If the Parties cannot reach resolution on a matter relating to or arising out of this Agreement, the Parties shall endeavor to reach resolution through good faith direct discussions between the Parties' representatives, who shall possess the necessary authority to resolve such matter and who shall record the date of first discussions. If the Parties' representatives are not able to resolve such matter within five (5) Business Days from the date of first discussion, the Parties' representatives shall immediately inform senior executives of the Parties in writing that a resolution could not be reached. Upon receipt of such notice, the senior executives of the Parties shall meet within five (5) Business Days to endeavor to reach resolution. If the dispute remains unresolved after fifteen (15) Days from the date of first discussion, the Parties shall submit such matter to the dispute mitigation and dispute resolution procedures selected below.

13.3 MEDIATION If direct discussions pursuant to §13.2 do not result in resolution of the matter, the Parties shall endeavor to resolve the matter by mediation through the current Construction Industry Mediation Rules of the American Arbitration Association, or the Parties may mutually agree to select another set of mediation rules. The administration of the mediation shall be as mutually agreed by the Parties. The mediation shall be convened within thirty (30) Days of the matter first being discussed and shall conclude within forty-five (45) Business Days of the matter first being discussed. Either Party may terminate the mediation at any time after the first session by written notice to the non-terminating Party and mediator. The costs of the mediation shall be shared equally by the Parties.



13.4 BINDING DISPUTE RESOLUTION If the matter is unresolved after submission of the matter to mediation, the Parties shall submit the matter to the binding dispute resolution procedure selected below:

☒ Arbitration using:

☒ the current Construction Industry Arbitration Rules of the AAA and administered by the AAA; or the current JAMS Engineering and Construction Arbitration Rules and Procedures and administered by JAMS.

Unless the Parties mutually agree otherwise in writing, the administration of the arbitration shall be as mutually agreed by the Parties. In order to preserve the quality of the proceedings, unless it is agreed to otherwise by the parties, the Arbitrator(s) selected shall have Construction Litigation experience of at least fifteen (15) years.

13.5 COSTS The costs of any binding dispute resolution procedures and reasonable attorneys' fees shall be borne by the non-prevailing Party, as determined by the adjudicator of the dispute.

13.6 VENUE To the extent permitted by Law, the venue of any binding dispute resolution procedure shall be the location of the Project.

13.7 MULTIPARTY PROCEEDING All parties necessary to resolve a matter agree to be parties to the same dispute resolution proceeding, if possible. Appropriate provisions shall be included in all other contracts relating to the Work to provide for the joinder or consolidation of such dispute resolution procedures.

13.8 LIEN RIGHTS Nothing in this article shall limit any rights or remedies not expressly waived by CM/GC which CM/GC may have under lien laws.

ARTICLE 14 MISCELLANEOUS

14.1 EXTENT OF AGREEMENT Except as expressly provided, this Agreement is for the exclusive benefit of the Parties, and not the benefit of any third party. This Agreement represents the entire and integrated agreement between the Parties, and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement and each and every provision is for the exclusive benefit of the Parties and not for the benefit of any third party.

14.2 ASSIGNMENT Except as to the assignment of proceeds, neither Party shall assign their interest in this Agreement without the written consent of the other Party. The terms and conditions of this Agreement shall be binding upon both Parties, their partners, successors, assigns, and legal representatives. Neither Party shall assign the Agreement as a whole without written consent of the other except that Owner may assign the Agreement to a wholly owned subsidiary of Owner when Owner has fully indemnified CM/GC or to an institutional lender providing construction financing for the Project as long as the assignment is no less favorable to CM/GC than this Agreement. If such assignment occurs, CM/GC shall execute any consent reasonably required. In such event, the wholly owned subsidiary or lender shall assume Owner's rights and obligations under the Contract Documents. If either Party attempts to make such an assignment, that Party shall nevertheless remain legally responsible for all obligations under this Agreement, unless otherwise agreed by the other Party.

14.3 GOVERNING LAW The law in effect at the location of the Project shall govern this Agreement.

14.4 SEVERABILITY The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision.



14.5 NOTICE Unless changed in writing, a Party's address indicated in Article 1 shall be used when delivering notice to a physical address. Except for Agreement termination and as otherwise specified in the Contract Documents, notice is effective upon transmission by any effective means, including U.S. postal service and overnight delivery service.

14.6 NO WAIVER OF PERFORMANCE Either Party's failure to insist upon any of its rights, in any one or more instances, on the performance of any of the terms, covenants, or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, condition, or right with respect to further performance or any other term, covenant, condition, or right.

14.7 TITLES The titles given to the articles are for ease of reference only and shall not be relied upon or cited for any other purpose.

14.8 179D ENERGY-EFFICIENT COMMERCIAL BUILDINGS TAX DEDUCTION Unless otherwise agreed to in writing, the Parties hereby agree the CM/GC shall retain all rights to claim any and all tax deductions, refunds, and credits available as a result of the design, engineering, and construction of the proposed building whether available at the time of this Agreement or made available at a future time. Such tax deductions, refunds, and credits may include, but shall not be limited to, the 179D Energy-Efficient Commercial Buildings Tax Deduction, the Research and Development Tax Credit, and similar local, state, or federal incentive programs.

14.9 JOINT DRAFTING The Parties expressly agree that this Agreement was jointly drafted, and that both had opportunity to negotiate its terms and to obtain the assistance of counsel in reviewing its terms before execution. Therefore, this Agreement shall be construed neither against nor in favor of either Party but shall be construed in a neutral manner.

ARTICLE 15 CONTRACT DOCUMENTS

15.1 EXISTING CONTRACT DOCUMENTS The Contract Documents in existence at the time of execution of this Agreement are as follows:

a. None.

15.2 INTERPRETATION OF CONTRACT DOCUMENTS

15.2.1 The drawings and specifications are complementary. If Work is shown only on one but not on the other, CM/GC shall perform the Work as though fully described on both.

15.2.2 In case of conflicts between the drawings and specifications, the specifications shall govern. In any case of omissions or errors in figures, drawings, or specifications, CM/GC shall immediately submit the matter to Owner for clarification. Subject to an equitable adjustment in the GMP, Dates of Substantial or Final Completion pursuant to ARTICLE 9 or a dispute mitigation and resolution, Owner's clarifications are final and binding.

15.2.3 Where figures are given, they shall be preferred to scaled dimensions.

15.2.4 Unless otherwise specifically defined in this Agreement, any terms that have well-known technical or trade meanings shall be interpreted in accordance with their well-known meanings.

15.2.5 ORDER OF PRECEDENCE In case of any inconsistency, conflict, or ambiguity among the Contract Documents, the documents shall govern in the following order: (a) Change Orders and written amendments to this Agreement; (b) the Agreement; (c) subject to §15.2.2 the drawings, specifications, and addenda issued before the execution of this Agreement; (d) approved submittals;



(e) information furnished by Owner pursuant to §3.15.4 or designated as a Contract Document in §15.1; (f) other Contract Documents listed in this Agreement.

WHEREFORE, the parties have entered into this Agreement as of the day and year first written above.

OWNER: **City of Twin Falls**

BY: _____

NAME: _____

TITLE: _____

CONSTRUCT MANAGER / GENERAL CONTRACTOR: **CORE Construction Management, Inc.**

BY: _____

NAME: Shamayne Rustebakke

TITLE: Assistant Secretary / Director of Contracts

END OF DOCUMENT.





ConsensusDocs®
BUILDING A BETTER WAY

Exhibit A – Template AMENDMENT NO. 1 TO ConsensusDocs® 500

STANDARD AGREEMENT AND GENERAL CONDITIONS BETWEEN OWNER AND CONSTRUCTION MANAGER / GENERAL CONTRACTOR (“CM/GC”)

Dated [____].

Pursuant to Section 3.4 of the Agreement dated [____] between the Owner, [____] and the CM/GC, [____] for [____] (the Project), the Owner and the CM/GC desire to establish a Guaranteed Maximum Price (“GMP”) for the Work. Therefore, the Owner and the Contractor agree as follows:

ARTICLE 1 GUARANTEED MAXIMUM PRICE

The CM/GC's GMP for the Work, including the Cost of the Work as defined in Article 8 and the CM/GC's Fee as set forth in Section 7.4, is [____] Dollars (\$[____]).

Notwithstanding the itemization above, there is one overall Guaranteed Maximum Price and the individual line items are not separate price maximums. The CM/GC shall be permitted to reallocate the individual line items and to provide an updated Schedule of Values to the Owner that reflects any such reallocation at its sole discretion, provided that it does not exceed the Guaranteed Maximum Price.

The GMP is for the performance of the Work in accordance with the exhibits listed below, which are part of this Agreement.

EXHIBIT A - GMP Sheet, dated ____.

EXHIBIT B – Basis of GMP (Allowances, Assumptions and Clarifications on which the GMP is based), dated [____], [____] pages.

EXHIBIT C – Enumeration of Drawings and Specifications, including Addenda, if any, and information furnished by the Owner under Section 4.3, dated [____], [____] pages.

EXHIBIT D – Baseline Project Schedule.

ARTICLE 2 DATE OF SUBSTANTIAL COMPLETION

The Date of Substantial Completion of the Work is [____]; (____) calendar days from the Date of Commencement.



WHEREFORE, the parties have entered into this Amendment as of the day and year first written above.

OWNER:

BY: _____

NAME: _____

TITLE: _____

DATE: _____

CONSTRUCTION MANAGER / GENERAL CONTRACTOR:

BY: _____

NAME: _____

TITLE: _____

DATE: _____

END OF DOCUMENT.



Exhibit B

CONSTRUCTION MANAGER / GENERAL CONTRACTOR "CM/GC" PROVIDED INSURANCE

Construction Manager / General Contractor "CM/GC" shall purchase insurance, as indicated below, with carriers licensed to do business in the state in which the Project is located and rated by AM Best with at least an A- rating and a minimum Financial Size Category of VIII. The insurance coverage shall be maintained during the construction phase period and for a minimum of two years following completion of construction. Claims-made coverage, other than for Professional Liability (E & O), will not be acceptable.

Coverage for General Liability (GL) must include Additional Insured coverage in favor of the Owner and Architect for both ongoing and completed operations utilizing the combination of forms CG 20 10 12 19 and CG 20 37 12 19 or their equivalents. GL coverage must be on a primary/non-contributory basis and have a per project aggregate endorsement.

The following limits and coverages are required:

Worker's Compensation	Statutory in the state in which the project is located
Employer's Liability	\$1,000,000 Ea. Accident, \$1,000,000 Disease \$1,000,000 Policy limit
General Liability	Limits must meet the minimums set forth below, or the policy limit, whichever is greater: \$1,000,000 per occurrence \$2,000,000 general aggregate \$2,000,000 products/completed operations aggregate
Excess Liability	\$2,000,000 per occurrence and general aggregate
Automobile Liability	\$1,000,000 Combined Single Limit
Professional Liability (E&O Coverage)	\$1,000,000 per claim and in the aggregate

Such insurance shall be evidenced by certificate on an Acord-25 form. CM/GC shall provide evidence of coverage prior to the start of construction.

Property Insurance:

CM/GC shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builders risk "all-risk" or equivalent policy form in the amount of the initial contract sum, plus value of subsequent contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis. This insurance shall include interests of the Owner, the CM/GC, Subcontractor and its subcontractors in the Project, and shall include insurance against the perils of fire and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal, including demolition occasioned by enforcement of any applicable legal requirements. Such property insurance shall be maintained until a written notice of Substantial Completion, at which time Owner shall install permanent insurance on the property.

Owner and CM/GC waive all rights against each other and against all Subcontractors, Sub-subcontractors, Material Suppliers, and the Architect/Engineer, for damages caused by fire or other perils covered by Builder's Risk or any other property insurance, except such rights as they may have to the proceeds of such insurance. Such insurance may be subject to an amount deductible from the sums otherwise payable thereunder and the burden of such deduction shall be borne by the CM/GC. The Owner or CM/GC as appropriate, shall require of the Architect, Architect's consultants, separate contractors, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein.



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: Kristen Kohntopp, Human Resources Director

ACTION ITEM

Request:

A request to approve the reallocation of \$25,615 from budgeted full-time salaries to purchase the Human Resource module from BS&A Software.

Time Estimate:

10 minutes

Background:

This request is to reallocate funds from the HR Department's current budget to purchase a cloud-based HR module from BS&A. This new module will integrate seamlessly with our existing payroll system, making our HR operations far more efficient. With this investment, we can streamline the way we handle job postings, applications, hiring, and overall employee management. The benefits are substantial. The module also offers smart budgeting capabilities, enabling us to explore different budget scenarios using historical data and current pay setups. It's a smarter approach to planning that will greatly enhance our financial forecasting capabilities. Additionally, this module will centralize our data. Right now, our information is somewhat scattered across Laserfiche, Excel, and paper records. As a point of reference for calendar year 2024, the HR department was responsible for maintaining the personnel files and records of 362 full-time employees and an additional 194 seasonal or part-time employees. This purchase will allow us to consolidate data into one accessible and manageable system as well as track training, certifications, and licenses for each employee.

Financially, we have room in this year's HR budget due to existing savings, and we propose utilizing these funds to cover this purchase. There is an ongoing cloud-based hosting fee of \$13,675.

The current Human Resource Department budget shows a total savings of \$89,477.99 from salary and benefit savings, \$73,783.86 from salary and \$15,694.13 from insurance respectively. Additionally, all regular M & O budgets are on target, the savings make it possible to fund this capital request comfortably. This reallocation is expected to lead to long-term savings and more efficient departmental operations. If City Council approves the fund reallocation we will start the acquisition process for the module.

Approval Process:

A simple majority, 50% +1 of the council members present.

Budget Impact:

The current Human Resource Department budget shows a total savings of \$89,477.99 from salary and benefit savings, \$73,783.86 from salary and \$15,694.13 from insurance respectively. Additionally, all regular operational budgets are on target, the savings make it possible to fund this capital request comfortably.

Regulatory Impact:

NA

History:

NA

Analysis:

NA

Conclusion:

In conclusion, reallocating the funds from this year's HR department budget to acquire the BS&A cloud-based HR module is a strategic initiative poised to modernize and enhance our operations. This module will integrate with our payroll system, leading to improved efficiency in handling job postings, applications, and employee management while offering advanced budgeting capabilities. By centralizing our currently scattered data, we not only simplify access and management but also enhance our ability to track crucial employee information such as training, certifications, and licenses. Although there is an ongoing cloud-based hosting fee of \$13,675, the anticipated long-term savings and increased operational efficiency make this reallocation a beneficial move.

Attachments:

1. Twin Falls City Falls ID - Change Order_1 11.6.24_KS

Change Request

BS&A Software, LLC | bsasoftware.com | 855 BSASOFT

Customer: **City of Twin Falls, Falls County ID**

Prepared By: Kevin Schafer, Account Executive

Change #	1	Date Submitted	11/6/2024
		Date Required	11/6/2024
Module/Area Affected	Cloud Human Resources		

No.	Changed Deliverable	Reason or Description	Net Change in Cost
1	Add Cloud Human Resources	Annual Fee	\$13,765
2	Add Database Setup for Human Resources	<i>Setup of Licenses, Certifications, Benefit Plans, Positions. Not assigned to Employees</i>	\$3,600
3	Add Project Management and Implementation Planning		\$1,200
4	Add Implementation and Training	4 days @ \$1,200/day	\$4,800
5	Add Travel Expenses for Onsite Training		\$2,250
Total Net Changes			\$25,615.00

BS&A Software, LLC

By: _____

Name: _____

Title: _____

Date: _____

Customer

By: _____

Name: _____

Title: _____

Date: _____



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: William Klaver, Senior Planner

ACTION ITEM

Request:

A request to approve a contract with Suburban CM to serve as the City's construction manager/general contractor (CM/GC) for the demo and reconstruction of the City Park Restroom.

Time Estimate:

The presentation and discussion should take about five minutes.

Background:

The City has been working with Laughlin Ricks Architecture for many years to reconstruct the City Park restrooms. These plans are ready to go through the construction process being funded through the CDBG Program.

In February, the Council approved the rankings of the Construction Manager / General Contractor (CM/GC) for the City Park restroom project. As directed, Staff started negotiations for with Suburban CM. I have attached the contract for the Council's review. Suburban CM is proposing a 7% CM/GC fee for their services on this project, with \$3,500 for pre-construction services. This fee is very competitive with comparable fees in the market right now.

Approval Process:

A simple majority vote of the Council is needed to approve this request, authorizing City Staff to sign the contract.

Budget Impact:

The FY 2025 budget includes \$1 million to complete the demolition and reconstruction of the City Park bathroom. The cost estimate from Laughlin Ricks Architecture LLC is \$850,000.00; leaving \$150,000.00 within the CDBG Program for contingency on this project. These funds are available through the Community Development Block Grant (CDBG) program which was granted to the City by the Department of Housing and Urban Development (HUD).

Once under contract, Suburban CM will prepare a guaranteed maximum price (GMP) for the project. Suburban CM's CM/GC fee will be 7% of the GMP amount. We will bring the GMP amount to the Council for review and approval at a future meeting.

Regulatory Impact:

If the Council approves the request, City Staff will execute the contract and Suburban CM will begin working with the project architect to finalize construction plans for the project.

History:

N/A

Analysis:

N/A

Conclusion:

The contract has been reviewed by the City Attorney and City Staff recommends the Council approve the contract with Suburban CM to serve as the City's CM/GC for the demo and reconstruction of the City Park Restroom.

Attachments:

1. A133-2019 - City of Twin Falls Rev 1

DRAFT AIA® Document A133® – 2019

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the 27th day of February in the year 2025
(In words, indicate day, month, and year.)

BETWEEN the Owner:
(Name, legal status, address, and other information)

«City of Twin Falls,» «D Corporation»
«203 Main Avenue East »
«Twin Falls, Idaho 83301»
«Phone Number: (208) 735-7285»

and the Construction Manager:
(Name, legal status, address, and other information)

«Suburban Construction Management,» «Limited Liability Company»
«1724 Brookfield Court»
«Twin Falls, Idaho 83301»
«Phone Number: (208) 490-7595»

for the following Project:
(Name, location, and detailed description)

«Twin Falls City Park Restroom Replacement»
«400 Shoshone Street East»
«Twin Falls, Idaho 83301»

The Architect:
(Name, legal status, address, and other information)

«Laughlin Ricks Architecture,» «Limited Liability Partnership»
«134 3rd Avenue East»
«Twin Falls, Idaho 83301»
«Phone Number: (208) 736-8050»

The Owner and Construction Manager agree as follows.

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™-2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

ELECTRONIC COPYING of any portion of this AIA® Document to another electronic file is prohibited and constitutes a violation of copyright laws as set forth in the footer of this document.

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ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project, as described in Section 4.1.1:

(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

« N/A »

§ 1.1.2 The Project's physical characteristics:

(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

«City of Twin Falls, Idaho, located at 400 Shoshone Street East, Twin Falls, Idaho. Parcel Number RPT0001034000A, Legal Address: Twin Falls Townsite, Final & Amd, All Of Block 34 & Block 45, City Park, (16-10-17 Ne) consisting of 5.693 acres.»

§ 1.1.3 The Owner's budget for the Guaranteed Maximum Price, as defined in Article 6:

(Provide total and, if known, a line item breakdown.)

«Architect's Estimated Budget for the Guaranteed Maximum Price for Construction is \$xxx,xxx.00»

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

- .1 Design phase milestone dates, if any:

«Design has been completed»

- .2 Construction commencement date:

« April 1, 2025 or otherwise determined

- .3 Substantial Completion date or dates:

«September 2025 or otherwise determined»

- .4 Other milestone dates:

«To Be Determined»

§ 1.1.5 The Owner's requirements for accelerated or fast-track scheduling, or phased construction, are set forth below:
(Identify any requirements for fast-track scheduling or phased construction.)

«N/A»

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

«N/A»

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Construction Manager shall complete and incorporate AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E234–2019 is incorporated into this agreement, the Owner and Construction Manager shall incorporate the completed E234–2019 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 Other Project information:
(Identify special characteristics or needs of the Project not provided elsewhere.)

«Landscaping and Irrigation shall be Owner Furnished, Owner Installed and Coordinated with the Contractor.»

§ 1.1.8 The Owner identifies the following representative in accordance with Section 4.2:
(List name, address, and other contact information.)

«Representative's Name (Chance Munns, Parks Superintendent)»
«136 Maxwell Avenue»
«Twin Falls, Idaho 83301»
«Telephone Number: (208) 736-2265»
«Mobile Number: (208) xxx-xxxx»
«E-Mail Address: cmunns@tfid.org»

§ 1.1.9 The persons or entities, in addition to the Owner's representative, who are required to review the Construction Manager's submittals to the Owner are as follows:
(List name, address and other contact information.)

«Colby Ricks
Laughlin Ricks Architecture
134 3rd Avenue East
Twin Falls, Idaho 83301
Phone Number: (208) 736-8050
Mobile Phone: (208) xxx-xxxx
E-Mail Address: colby@lrallc.com»

§ 1.1.10 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Geotechnical Engineer:

«To Be Determined»« »
« »
« »
« »
« »

.2 Civil Engineer:

«»« »
«»
«»
»
»

.3 Other, if any:
(List any other consultants retained by the Owner, such as a Project or Program Manager.)

«N/A»

§ 1.1.11 The Architect's representative:
(List name, address, and other contact information.)

«Colby Ricks»
«Laughlin Ricks Architecture»
«134 3rd Avenue East»
«Twin Falls, Idaho 83301»
«Phone Number: (208) 736-8050 | Mobile Number (208) xxx-xxxx»
«E-Mail Address: colby@lrallc.com»

§ 1.1.12 The Construction Manager identifies the following representative in accordance with Article 3:
(List name, address, and other contact information.)

«Andrew DiPietro
«Suburban Construction Management»
«1724 Brookfield Court»
«Twin Falls, Idaho 83301»
«Mobile Number: (208) 490-7595»
«E-Mail Address: andrew@suburbancm.com»
«»

§ 1.1.13 The Owner's requirements for the Construction Manager's staffing plan for Preconstruction Services, as required under Section 3.1.9:
(List any Owner-specific requirements to be included in the staffing plan.)

«N/A»

§ 1.1.14 The Owner's requirements for subcontractor procurement for the performance of the Work:
(List any Owner-specific requirements for subcontractor procurement.)

«The Project shall bid to all subcontractors as required by: Federal Guidelines, the State of Idaho and the City of Twin Falls, Idaho»

§ 1.1.15 Other Initial Information on which this Agreement is based:

«N/A»

§ 1.2 The Owner and Construction Manager may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Construction Manager shall appropriately adjust the Project schedule, the Construction Manager's services, and the Construction Manager's compensation. The Owner shall adjust the Owner's budget for the Guaranteed Maximum Price and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 Neither the Owner's nor the Construction Manager's representative shall be changed without ten days' prior notice to the other party.

ARTICLE 2 GENERAL PROVISIONS

§ 2.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 3.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 3.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern. An enumeration of the Contract Documents, other than a Modification, appears in Article 15.

§ 2.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner to furnish efficient construction administration, management services, and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 2.3 General Conditions

§ 2.3.1 For the Preconstruction Phase, AIA Document A201™-2017, General Conditions of the Contract for Construction, shall apply as follows: Section 1.5, Ownership and Use of Documents; Section 1.7, Digital Data Use and Transmission; Section 1.8, Building Information Model Use and Reliance; Section 2.2.4, Confidential Information; Section 3.12.10, Professional Services; Section 10.3, Hazardous Materials; Section 13.1, Governing Law. The term "Contractor" as used in A201-2017 shall mean the Construction Manager.

§ 2.3.2 For the Construction Phase, the general conditions of the contract shall be as set forth in A201-2017, which document is incorporated herein by reference. The term "Contractor" as used in A201-2017 shall mean the Construction Manager.

ARTICLE 3 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 3.1 and 3.2, and in the applicable provisions of A201-2017 referenced in Section 2.3.1. The Construction Manager's Construction Phase

responsibilities are set forth in Section 3.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 3.1 Preconstruction Phase

§ 3.1.1 Extent of Responsibility

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services. The Owner and Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of services and information furnished by the Construction Manager. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 3.1.2 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 3.1.3 Consultation

§ 3.1.3.1 The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work.

§ 3.1.3.2 The Construction Manager shall advise the Owner and Architect on proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner and Architect, consistent with the Project requirements, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions. The Construction Manager shall consult with the Architect regarding professional services to be provided by the Construction Manager during the Construction Phase.

§ 3.1.3.3 The Construction Manager shall assist the Owner and Architect in establishing written protocols for the development, use, transmission, reliance, and exchange of digital data, including building information models for the Project.

§ 3.1.4 Project Schedule

When Project requirements in Section 4.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities; and identify items that affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered in advance of construction; and the occupancy requirements of the Owner.

§ 3.1.5 Phased Construction

The Construction Manager, in consultation with the Architect, shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, and sequencing for phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities, and procurement and construction scheduling issues.

§ 3.1.6 Cost Estimates

§ 3.1.6.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare, for the Architect's review and the Owner's approval, preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume, or similar conceptual estimating techniques. If the Architect or

Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 3.1.6.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, an estimate of the Cost of the Work with increasing detail and refinement. The Construction Manager shall include in the estimate those costs to allow for the further development of the design, price escalation, and market conditions, until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. The estimate shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect in the event that the estimate of the Cost of the Work exceeds the latest approved Project budget, and make recommendations for corrective action.

§ 3.1.6.3 If the Architect is providing cost estimating services as a Supplemental Service, and a discrepancy exists between the Construction Manager's cost estimates and the Architect's cost estimates, the Construction Manager and the Architect shall work together to reconcile the cost estimates.

§ 3.1.7 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall consult with the Owner and Architect and make recommendations regarding constructability and schedules, for the Architect's review and the Owner's approval.

§ 3.1.8 The Construction Manager shall provide recommendations and information to the Owner and Architect regarding equipment, materials, services, and temporary Project facilities.

§ 3.1.9 The Construction Manager shall provide a staffing plan for Preconstruction Phase services for the Owner's review and approval.

§ 3.1.10 If the Owner identified a Sustainable Objective in Article 1, the Construction Manager shall fulfill its Preconstruction Phase responsibilities as required in AIA Document E234™-2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.

§ 3.1.11 Subcontractors and Suppliers

§ 3.1.11.1 If the Owner has provided requirements for subcontractor procurement in section 1.1.14, the Construction Manager shall provide a subcontracting plan, addressing the Owner's requirements, for the Owner's review and approval.

§ 3.1.11.2 The Construction Manager shall develop bidders' interest in the Project.

§ 3.1.11.3 The processes described in Article 9 shall apply if bid packages will be issued during the Preconstruction Phase.

§ 3.1.12 Procurement

The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 3.1.13 Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities.

§ 3.1.14 Other Preconstruction Services

Insert a description of any other Preconstruction Phase services to be provided by the Construction Manager, or reference an exhibit attached to this document.

(Describe any other Preconstruction Phase services, such as providing cash flow projections, development of a project information management system, early selection or procurement of subcontractors, etc.)

«N/A»

§ 3.2 Guaranteed Maximum Price Proposal

§ 3.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's and Architect's review, and the Owner's acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, the Construction Manager's contingency described in Section 3.2.4, and the Construction Manager's Fee described in Section 6.1.2.

§ 3.2.2 To the extent that the Contract Documents are anticipated to require further development, the Guaranteed Maximum Price includes the costs attributable to such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Order.

§ 3.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 3.2.2;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, including allowances; the Construction Manager's contingency set forth in Section 3.2.4; and the Construction Manager's Fee;
- .4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- .5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include a contingency for the Construction Manager's exclusive use to cover those costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order.

§ 3.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner or Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 3.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 3.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the execution of the Guaranteed Maximum Price Amendment, unless the Owner provides prior written authorization for such costs.

§ 3.2.8 The Owner shall authorize preparation of revisions to the Contract Documents that incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish such revised Contract Documents to the Construction Manager. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment and the revised Contract Documents.

§ 3.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 3.3 Construction Phase

§ 3.3.1 General

§ 3.3.1.1 For purposes of Section 8.1.2 of A201–2017, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 3.3.1.2 The Construction Phase shall commence upon the Owner's execution of the Guaranteed Maximum Price Amendment or, prior to acceptance of the Guaranteed Maximum Price proposal, by written agreement of the parties. The written agreement shall set forth a description of the Work to be performed by the Construction Manager, and any insurance and bond requirements for Work performed prior to execution of the Guaranteed Maximum Price Amendment.

§ 3.3.2 Administration

§ 3.3.2.1 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes of the meetings to the Owner and Architect.

§ 3.3.2.2 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and a submittal schedule in accordance with Section 3.10 of A201–2017.

§ 3.3.2.3 Monthly Report

The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner.

§ 3.3.2.4 Daily Logs

The Construction Manager shall keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 3.3.2.5 Cost Control

The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect, and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 3.3.2.3 above.

ARTICLE 4 OWNER'S RESPONSIBILITIES

§ 4.1 Information and Services Required of the Owner

§ 4.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 4.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. After execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request such information as set forth in A201-2017 Section 2.2.

§ 4.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Article 7, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the

Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 4.1.4 Structural and Environmental Tests, Surveys and Reports. During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 4.1.4.1 The Owner shall furnish tests, inspections, and reports, required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 4.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 4.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 4.1.5 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 4.1.6 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E234™-2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.

§ 4.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201-2017, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 4.2.1 Legal Requirements. The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 4.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B133™-2019, Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition, including any additional services requested by the Construction Manager that are necessary for the Preconstruction and Construction Phase services under this Agreement. The Owner shall provide the Construction Manager with a copy of the scope of services in the executed agreement between the Owner and the Architect, and any further modifications to the Architect's scope of services in the agreement.

ARTICLE 5 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 5.1 Compensation

§ 5.1.1 For the Construction Manager's Preconstruction Phase services described in Sections 3.1 and 3.2, the Owner shall compensate the Construction Manager as follows:

(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

« Three Thousand Five Hundred Dollars and no/100 (\$3,500.00) »

§ 5.1.2 The hourly billing rates for Preconstruction Phase services of the Construction Manager and the Construction Manager's Consultants and Subcontractors, if any, are set forth below.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

«N/A»

Individual or Position	Rate
N/A	N/A

§ 5.1.2.1 Hourly billing rates for Preconstruction Phase services include all costs to be paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, and shall remain unchanged unless the parties execute a Modification.

§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within «(One)» («(1)») months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 5.2 Payments

§ 5.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 5.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid «forty-five» («45») days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.

(Insert rate of monthly or annual interest agreed upon.)

«5» % «60»

ARTICLE 6 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 6.1 Contract Sum

§ 6.1.1 The Owner shall pay the Construction Manager the Contract Sum in current funds for the Construction Manager's performance of the Contract after execution of the Guaranteed Maximum Price Amendment. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Construction Manager's Fee.

§ 6.1.2 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

«Seven Percent (7%) of the subcontracts and purchase orders for the project. The amount will be based on base-bid subcontracts and any change orders to those subcontractors»

§ 6.1.3 The method of adjustment of the Construction Manager's Fee for changes in the Work:

«An Amendment via Change Order»

§ 6.1.4 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

«Five Percent (5%) for Overhead and Ten Percent (10%) for Profit»

§ 6.1.5 Rental rates for Construction Manager-owned equipment shall not exceed «Eighty-Five» percent («85» %) of the standard rental rate paid at the place of the Project.

§ 6.1.6 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

«To be determined within the GMP Amendment»

§ 6.1.7 Other:
(Insert provisions for bonus, cost savings or other incentives, if any, that might result in a change to the Contract Sum.)

«N/A»

§ 6.2 Guaranteed Maximum Price

The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, subject to additions and deductions by Change Order as provided in the Contract Documents. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Construction Manager without reimbursement by the Owner.

§ 6.3 Changes in the Work

§ 6.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Construction Manager may be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 6.3.1.1 The Architect may order minor changes in the Work as provided in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.3 Adjustments to subcontracts awarded on the basis of a stipulated sum shall be determined in accordance with Article 7 of A201–2017, as they refer to “cost” and “fee,” and not by Articles 6 and 7 of this Agreement. Adjustments to subcontracts awarded with the Owner’s prior written consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms “cost” and “costs” as used in Article 7 of AIA Document A201–2017 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term “fee” shall mean the Construction Manager’s Fee as defined in Section 6.1.2 of this Agreement.

§ 6.3.5 If no specific provision is made in Section 6.1.3 for adjustment of the Construction Manager’s Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 6.1.3 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager’s Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 7.1 Costs to Be Reimbursed

§ 7.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. The Cost of the Work shall include only the items set forth in Sections 7.1 through 7.7.

§ 7.1.2 Where, pursuant to the Contract Documents, any cost is subject to the Owner’s prior approval, the Construction Manager shall obtain such approval in writing prior to incurring the cost.

§ 7.1.3 Costs shall be at rates not higher than the standard rates paid at the place of the Project, except with prior approval of the Owner.

§ 7.2 Labor Costs

§ 7.2.1 Wages or salaries of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site and performing Work, with the Owner's prior approval.

§ 7.2.2.1 Wages or salaries of the Construction Manager's supervisory and administrative personnel when performing Work and stationed at a location other than the site, but only for that portion of time required for the Work, and limited to the personnel and activities listed below:

(Identify the personnel, type of activity and, if applicable, any agreed upon percentage of time to be devoted to the Work.)

« To be determined within the GMP Amendment »

§ 7.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or while traveling, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3.

§ 7.2.5 If agreed rates for labor costs, in lieu of actual costs, are provided in this Agreement, the rates shall remain unchanged throughout the duration of this Agreement, unless the parties execute a Modification.

§ 7.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts and this Agreement.

§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 7.4.1 Costs, including transportation and storage at the site, of materials and equipment incorporated, or to be incorporated, in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 7.5.1 Costs of transportation, storage, installation, dismantling, maintenance, and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment, and tools, that are not fully consumed, shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site, and the costs of transportation, installation, dismantling, minor repairs, and removal of such temporary facilities, machinery, equipment, and hand tools. Rates and quantities of equipment owned by the Construction Manager, or a related party as defined in Section 7.8, shall be subject to the Owner's prior approval. The total rental cost of any such equipment may not exceed the purchase price of any comparable item.

§ 7.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 7.5.4 Costs of the Construction Manager's site office, including general office equipment and supplies.

§ 7.5.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 7.6 Miscellaneous Costs

§ 7.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract.

§ 7.6.1.1 Costs for self-insurance, for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 7.6.1.2 Costs for insurance through a captive insurer owned or controlled by the Construction Manager, with the Owner's prior approval.

§ 7.6.2 Sales, use, or similar taxes, imposed by a governmental authority, that are related to the Work and for which the Construction Manager is liable.

§ 7.6.3 Fees and assessments for the building permit, and for other permits, licenses, and inspections, for which the Construction Manager is required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents; except those related to defective or nonconforming Work for which reimbursement is excluded under Article 13 of AIA Document A201–2017 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process, or product, required by the Contract Documents.

§ 7.6.5.1 The cost of defending suits or claims for infringement of patent rights arising from requirements of the Contract Documents, payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims, and payments of settlements made with the Owner's consent, unless the Construction Manager had reason to believe that the required design, process, or product was an infringement of a copyright or a patent, and the Construction Manager failed to promptly furnish such information to the Architect as required by Article 3 of AIA Document A201–2017. The costs of legal defenses, judgments, and settlements shall not be included in the Cost of the Work used to calculate the Construction Manager's Fee or subject to the Guaranteed Maximum Price.

§ 7.6.6 Costs for communications services, electronic equipment, and software, directly related to the Work and located at the site, with the Owner's prior approval.

§ 7.6.7 Costs of document reproductions and delivery charges.

§ 7.6.8 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 7.6.9 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 7.6.10 Expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work, with the Owner's prior approval.

§ 7.6.11 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 7.7 Other Costs and Emergencies

§ 7.7.1 Other costs incurred in the performance of the Work, with the Owner's prior approval.

§ 7.7.2 Costs incurred in taking action to prevent threatened damage, injury, or loss, in case of an emergency affecting the safety of persons and property, as provided in Article 10 of AIA Document A201–2017.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors, or suppliers, provided that such damaged or nonconforming Work was not caused by the negligence of, or failure to fulfill a specific responsibility by, the Construction Manager, and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 7.7.4 The costs described in Sections 7.1 through 7.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201–2017 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 7.9.

§ 7.8 Related Party Transactions

§ 7.8.1 For purposes of this Section 7.8, the term “related party” shall mean (1) a parent, subsidiary, affiliate, or other entity having common ownership of, or sharing common management with, the Construction Manager; (2) any entity in which any stockholder in, or management employee of, the Construction Manager holds an equity interest in excess of ten percent in the aggregate; (3) any entity which has the right to control the business or affairs of the Construction Manager; or (4) any person, or any member of the immediate family of any person, who has the right to control the business or affairs of the Construction Manager.

§ 7.8.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction in writing, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods, or service, from the related party, as a Subcontractor, according to the terms of Article 9. If the Owner fails to authorize the transaction in writing, the Construction Manager shall procure the Work, equipment, goods, or service from some person or entity other than a related party according to the terms of Article 9.

§ 7.9 Costs Not To Be Reimbursed

§ 7.9.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 7.2, or as may be provided in Article 14;
- .2 Bonuses, profit sharing, incentive compensation, and any other discretionary payments, paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, unless the Owner has provided prior approval;
- .3 Expenses of the Construction Manager's principal office and offices other than the site office;
- .4 Overhead and general expenses, except as may be expressly included in Sections 7.1 to 7.7;
- .5 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence of, or failure to fulfill a specific responsibility of the Contract by, the Construction Manager, Subcontractors, and suppliers, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable;
- .7 Any cost not specifically and expressly described in Sections 7.1 to 7.7;
- .8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .9 Costs for services incurred during the Preconstruction Phase.

ARTICLE 8 DISCOUNTS, REBATES, AND REFUNDS

§ 8.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included the amount to be paid, less such discount, in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade

discounts, rebates, refunds, and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 8.2 Amounts that accrue to the Owner in accordance with the provisions of Section 8.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 9 SUBCONTRACTS AND OTHER AGREEMENTS

§ 9.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors, and from suppliers of materials or equipment fabricated especially for the Work, who are qualified to perform that portion of the Work in accordance with the requirements of the Contract Documents. The Construction Manager shall deliver such bids to the Architect and Owner with an indication as to which bids the Construction Manager intends to accept. The Owner then has the right to review the Construction Manager's list of proposed subcontractors and suppliers in consultation with the Architect and, subject to Section 9.1.1, to object to any subcontractor or supplier. Any advice of the Architect, or approval or objection by the Owner, shall not relieve the Construction Manager of its responsibility to perform the Work in accordance with the Contract Documents. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 9.1.1 When a specific subcontractor or supplier (1) is recommended to the Owner by the Construction Manager; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 9.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval. If a subcontract is awarded on the basis of cost plus a fee, the Construction Manager shall provide in the subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Article 10.

ARTICLE 10 ACCOUNTING RECORDS

The Construction Manager shall keep full and detailed records and accounts related to the Cost of the Work, and exercise such controls, as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, job cost reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractor's invoices, purchase orders, vouchers, memoranda, and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 11.1 Progress Payments

§ 11.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager, and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum, to the Construction Manager, as provided below and elsewhere in the Contract Documents.

§ 11.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

« »

§ 11.1.3 Provided that an Application for Payment is received by the Architect not later than the «5th» day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the «20th» day of the

«same» month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than «Twenty» («20») days after the Architect receives the Application for Payment.
(Federal, state or local laws may require payment within a certain period of time.)

§ 11.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that payments already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, plus payrolls for the period covered by the present Application for Payment, less that portion of the progress payments attributable to the Construction Manager's Fee.

§ 11.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among: (1) the various portions of the Work; (2) any contingency for costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order; and (3) the Construction Manager's Fee.

§ 11.1.5.1 The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. The schedule of values shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 11.1.5.2 The allocation of the Guaranteed Maximum Price under this Section 11.1.5 shall not constitute a separate guaranteed maximum price for the Cost of the Work of each individual line item in the schedule of values.

§ 11.1.5.3 When the Construction Manager allocates costs from a contingency to another line item in the schedule of values, the Construction Manager shall submit supporting documentation to the Architect.

§ 11.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work and for which the Construction Manager has made payment or intends to make payment prior to the next Application for Payment, by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 11.1.7 In accordance with AIA Document A201–2017 and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 11.1.7.1 The amount of each progress payment shall first include:

- .1 That portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the most recent schedule of values;
- .2 That portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction or, if approved in writing in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified; and
- .4 The Construction Manager's Fee, computed upon the Cost of the Work described in the preceding Sections 11.1.7.1.1 and 11.1.7.1.2 at the rate stated in Section 6.1.2 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work included in Sections 11.1.7.1.1 and 11.1.7.1.2 bears to a reasonable estimate of the probable Cost of the Work upon its completion.

§ 11.1.7.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;

- .3 Any amount for which the Construction Manager does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Construction Manager intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017;
- .5 The shortfall, if any, indicated by the Construction Manager in the documentation required by Section 11.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner’s auditors in such documentation; and
- .6 Retainage withheld pursuant to Section 11.1.8.

§ 11.1.8 Retainage

§ 11.1.8.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

«Five Percent (5%)»

§ 11.1.8.1.1 The following items are not subject to retainage:

(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

«N/A | **OR** Reimbursement for Performance and Payment Bond»

§ 11.1.8.2 Reduction or limitation of retainage, if any, shall be as follows:

(If the retainage established in Section 11.1.8.1 is to be modified prior to Substantial Completion of the entire Work, insert provisions for such modification.)

«N/A»

§ 11.1.8.3 Except as set forth in this Section 11.1.8.3, upon Substantial Completion of the Work, the Construction Manager may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 11.1.8. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:

(Insert any other conditions for release of retainage, such as upon completion of the Owner’s audit and reconciliation, upon Substantial Completion.)

«N/A»

§ 11.1.9 If final completion of the Work is materially delayed through no fault of the Construction Manager, the Owner shall pay the Construction Manager any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 11.1.10 Except with the Owner’s prior written approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and suitably stored at the site.

§ 11.1.11 The Owner and the Construction Manager shall agree upon a mutually acceptable procedure for review and approval of payments to Subcontractors, and the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 11.1.12 In taking action on the Construction Manager’s Applications for Payment the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager, and such action shall not be deemed to be a representation that (1) the Architect has made a detailed examination, audit, or arithmetic verification, of the documentation submitted in accordance with Section 11.1.4 or other supporting data; (2) that the Architect has made exhaustive or continuous on-site inspections; or (3) that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner’s auditors acting in the sole interest of the Owner.

§ 11.2 Final Payment

§ 11.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract, except for the Construction Manager's responsibility to correct Work as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect in accordance with Section 11.2.2.2.

§ 11.2.2 Within 30 days of the Owner's receipt of the Construction Manager's final accounting for the Cost of the Work, the Owner shall conduct an audit of the Cost of the Work or notify the Architect that it will not conduct an audit.

§ 11.2.2.1 If the Owner conducts an audit of the Cost of the Work, the Owner shall, within 10 days after completion of the audit, submit a written report based upon the auditors' findings to the Architect.

§ 11.2.2.2 Within seven days after receipt of the written report described in Section 11.2.2.1, or receipt of notice that the Owner will not conduct an audit, and provided that the other conditions of Section 11.2.1 have been met, the Architect will either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Article 9 of AIA Document A201–2017. The time periods stated in this Section 11.2.2 supersede those stated in Article 9 of AIA Document A201–2017. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 11.2.2.3 If the Owner's auditors' report concludes that the Cost of the Work, as substantiated by the Construction Manager's final accounting, is less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Article 15 of AIA Document A201–2017. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 11.2.3 The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

«All remaining Retention and Balance on the previous Application for Payment»

§ 11.2.4 If, subsequent to final payment, and at the Owner's request, the Construction Manager incurs costs, described in Sections 7.1 through 7.7, and not excluded by Section 7.9, to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager for such costs, and the Construction Manager's Fee applicable thereto, on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If adjustments to the Contract Sum are provided for in Section 6.1.7, the amount of those adjustments shall be recalculated, taking into account any reimbursements made pursuant to this Section 11.2.4 in determining the net amount to be paid by the Owner to the Construction Manager.

§ 11.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

«One and a half (1.5) Monthly or 18» % «annual rate»

ARTICLE 12 DISPUTE RESOLUTION

§ 12.1 Initial Decision Maker

§ 12.1.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 12 and Article 15 of A201–2017. However, for Claims arising from or relating to the

Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 12.1.2 of this Agreement shall not apply.

§ 12.1.2 The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

«N/A»

« »

« »

« »

§ 12.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

☒ [**«X»**] Arbitration pursuant to Article 15 of AIA Document A201–2017

☐ [**« »**] Litigation in a court of competent jurisdiction

☐ [**« »**] Other: *(Specify)*

« »

If the Owner and Construction Manager do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 Termination Prior to Execution of the Guaranteed Maximum Price Amendment

§ 13.1.1 If the Owner and the Construction Manager do not reach an agreement on the Guaranteed Maximum Price, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner.

§ 13.1.2 In the event of termination of this Agreement pursuant to Section 13.1.1, the Construction Manager shall be compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination, in accordance with the terms of this Agreement. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.3 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Article 14 of A201–2017.

§ 13.1.4 In the event of termination of this Agreement pursuant to Section 13.1.3, the Construction Manager shall be equitably compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.5 If the Owner terminates the Contract pursuant to Section 13.1.3 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 13.1.4:

.1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;

- .2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

§ 13.1.6 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.1.5.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

§ 13.1.6.1 If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 13.2 Termination or Suspension Following Execution of the Guaranteed Maximum Price Amendment

§ 13.2.1 Termination

The Contract may be terminated by the Owner or the Construction Manager as provided in Article 14 of AIA Document A201–2017.

§ 13.2.2 Termination by the Owner for Cause

§ 13.2.2.1 If the Owner terminates the Contract for cause as provided in Article 14 of AIA Document A201–2017, the amount, if any, to be paid to the Construction Manager under Article 14 of AIA Document A201–2017 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee, computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract the costs and damages incurred, or to be incurred, by the Owner under Article 14 of AIA Document A201–2017.

§ 13.2.2.2 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.2.1.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders.

§ 13.2.3 Termination by the Owner for Convenience

If the Owner terminates the Contract for convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Construction Manager a termination fee as follows:

(Insert the amount of or method for determining the fee, if any, payable to the Construction Manager following a termination for the Owner's convenience.)

§ 13.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Article 14 of AIA Document A201–2017, except that the term “profit” shall be understood to mean the Construction Manager’s Fee as described in Sections 6.1 and 6.3.5 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Terms in this Agreement shall have the same meaning as those in A201–2017. Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 14.2 Successors and Assigns

§ 14.2.1 The Owner and Construction Manager, respectively, bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 14.2.2 of this Agreement, and in Section 13.2.2 of A201–2017, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 14.2.2 The Owner may, without consent of the Construction Manager, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner’s rights and obligations under the Contract Documents. The Construction Manager shall execute all consents reasonably required to facilitate the assignment.

§ 14.3 Insurance and Bonds

§ 14.3.1 Preconstruction Phase

The Construction Manager shall maintain the following insurance for the duration of the Preconstruction Services performed under this Agreement. If any of the requirements set forth below exceed the types and limits the Construction Manager normally maintains, the Owner shall reimburse the Construction Manager for any additional cost.

§ 14.3.1.1 Commercial General Liability with policy limits of not less than «One-Million Dollars» (\$ «1,000,000.00») for each occurrence and «Two-Million Dollars» (\$ «2,000,000.00») in the aggregate for bodily injury and property damage.

§ 14.3.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager with policy limits of not less than «One-Million Dollars» (\$ «1,000,000.00») per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 14.3.1.3 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided that such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 14.3.1.1 and 14.3.1.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 14.3.1.4 Workers’ Compensation at statutory limits and Employers Liability with policy limits not less than «One-Million Dollars» (\$ «1,000,000.00») each accident, «One-Million Dollars» (\$ «1,000,000.00») each employee, and «One-Million Dollars» (\$ «1,000,000.00») policy limit.

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits of not less than «N/A (??)» (\$ «N/A (??)») per claim and «N/A (??)» (\$ «N/A (??)») in the aggregate.

§ 14.3.1.6 Other Insurance

(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage

Not Applicable

Limits

Not Applicable

§ 14.3.1.7 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 14.3.1.8 The Construction Manager shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 14.3.1.

§ 14.3.2 Construction Phase

After execution of the Guaranteed Maximum Price Amendment, the Owner and the Construction Manager shall purchase and maintain insurance as set forth in AIA Document A133™-2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, Exhibit B, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 14.3.2.1 The Construction Manager shall provide bonds as set forth in AIA Document A133™-2019 Exhibit B, and elsewhere in the Contract Documents.

§ 14.4 Notice in electronic format, pursuant to Article 1 of AIA Document A201-2017, may be given in accordance with a building information modeling exhibit, if completed, or as otherwise set forth below:

(If other than in accordance with a building information modeling exhibit, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

«Not Applicable»

§ 14.5 Other provisions:

«Unknown at this time»

ARTICLE 15 SCOPE OF THE AGREEMENT

§ 15.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 15.2 The following documents comprise the Agreement:

- .1 AIA Document A133™-2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A133™-2019, Exhibit A, Guaranteed Maximum Price Amendment, if executed
- .3 AIA Document A133™-2019, Exhibit B, Insurance and Bonds
- .4 AIA Document A201™-2017, General Conditions of the Contract for Construction
- .5 Building Information Modeling Exhibit, if completed:

«Not Applicable»

- .6 Other Exhibits:
(Check all boxes that apply.)

[**«UN»**] AIA Document E234™-2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, dated as indicated below:
(Insert the date of the E234-2019 incorporated into this Agreement.)

« »

[«UN»] Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages

- .7 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201–2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Construction Manager’s bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

«UN»

This Agreement is entered into as of the day and year first written above.

OWNER (Signature)

«Chance Munns, »«City of Twin Falls Parks
Superintendent»

(Printed name and title)

CONSTRUCTION MANAGER (Signature)

«Andrew DiPietro, »«Owner»

(Printed name and title)



Date: Monday, March 17, 2025
To: Honorable Mayor and City Council
From: Shawn Barigar, URA Executive Director

PRESENTATION

Request:

Presentation of the 2024 Annual Report of the Urban Renewal Agency of the City of Twin Falls.

Time Estimate:

10 minutes

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 and certain financial information. The 2024 Annual Report was approved by the Agency at today's meeting. Following this presentation, notice will be published in the Times-News informing the public that the report has been filed with the City and is available for inspection in the office of the Deputy City Clerk, the Agency, and on the website.

Approval Process:

N/A

Budget Impact:

N/A

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

The report will be filed with the Deputy City Clerk. Completion of this process will have the Agency in compliance with the statutory requirements for reporting.

Attachments:

1. 2024 URA Annual Report



2024 Annual Report

Shawn Barigar
Executive Director

March 17, 2025

Board of Commissioners

January – June 2024

Rudy Ashenbrener – Chair
Andy Hohwieler – Vice Chair
Dave McAlindin – Secretary
Dan Brizee
Jan Rogers
JJ McBride
Eric Smallwood

July – December 2024

Rudy Ashenbrener – Chair
Dave McAlindin – Vice Chair
Eric Smallwood – Secretary
Dan Brizee
Jan Rogers
JJ McBride
Jennifer Colvin

Staff

Shawn Barigar, Executive Director
Lorrie Bauer - Administrative Assistant
Jesse Schuerman - Engineer
Brent Hyatt – Finance (January – April 2024)
Parker Scherer – Finance (April – December 2024)

This Annual Report is prepared pursuant to Idaho Code Section 50- 2006(5)(c):

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 the financial data and audit reports required under sections 67-1075 and 67-1076, Idaho Code. 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 the state controller and that the report is available for inspection during business hours in the office of the city clerk or county recorder, in the office of the agency, and at all times on the website of the state controller.

**The Urban Renewal Agency
of the City of Twin Falls, Idaho**

Agency Activities for Calendar Year 2024

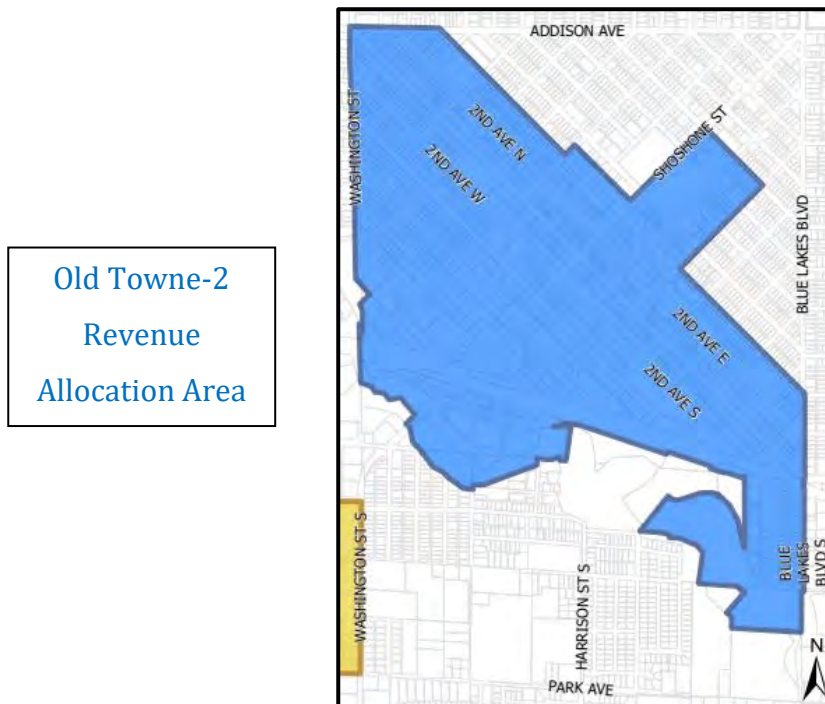
Old Towne-2 Revenue Allocation Area

Downtown Master Plan Implementation

With the creation of the new Old Towne-2 Revenue Allocation Area in 2023, the Agency Board and Staff focused on strategies and tactics to advance communication and marketing of development opportunities in the downtown area.

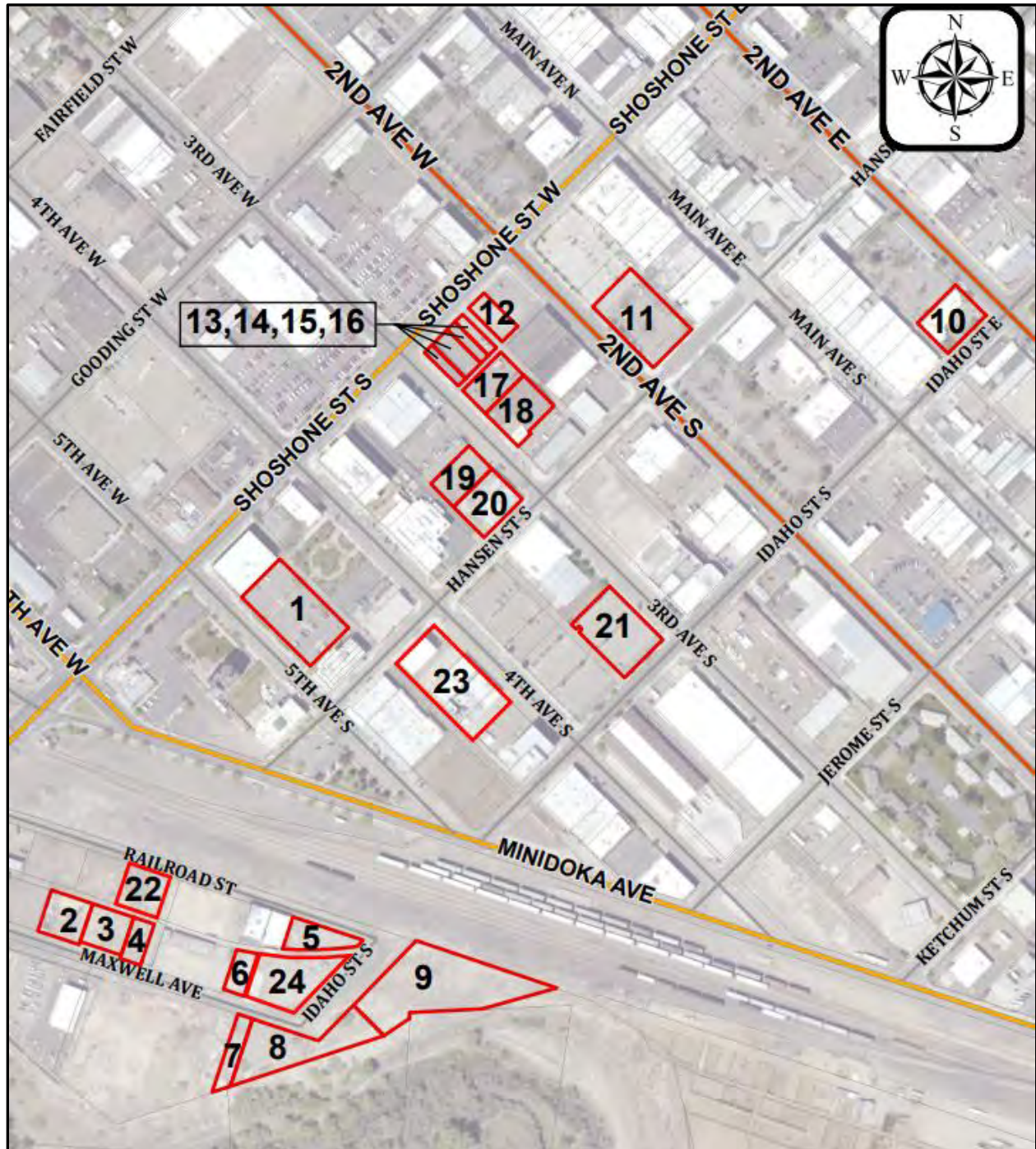
Utilizing the framework of the Downtown Master Plan, efforts throughout the year included:

- Creation of a concise summary of the Downtown Master Plan, including collateral materials (presentations, brochures, website content) used for presentations to local civic groups, professional organizations, current downtown business owners and residents, and the general public.
- Compilation of property information for Agency-owned properties within the Old Towne-2 Area to share with individuals inquiring about development opportunities.
- Scheduling of one-on-one presentations with potential developers to gauge market conditions and appetite for advancing development.
- Consideration of developing formal Requests for Proposals for projects that align with the Downtown Master Plan.



Project Support in Old Towne-2 Revenue Allocation Area

The Agency maintained its owned properties in the area to include tenant-occupied buildings, public parking, and vacant facilities for future development opportunities. Agency-owned properties are designated on this map outlined in red and numbered.



Throughout its existence, the Urban Renewal Agency has aided a variety of projects within urban renewal project areas. These forms of assistance have taken several forms, from one-time assistance for smaller projects (such as power upgrades or sidewalk improvements) to larger public improvements supporting multi-million-dollar projects (such as Chobani and Clif Bar).

In 2024, the Board and Staff developed a formalized set of guidelines related to Agency participation to support private development. The Development Assistance Participation Program provides clarity to private developers seeking support from the Agency. In 2024, these guidelines were utilized to support development projects in the Old Towne-2 Revenue Allocation Area.

- The Agency provided funding in the amount of \$20,430.89 to The Gaslamp, LLC, at 248 Idaho Street South to assist with the payment of Impact Fees associated with improvements at the building to open and operate a meeting and event facility. The development of this project advances the program goals for the Old Towne-2 project plan and assists with the development of an underdeveloped area, strengthening the economic base of the project area and the community.
- The Agency provided funding in the amount of \$7,000 for a budget study to determine cost estimates for public improvements in the 200-400 block corridor of Hansen Street East, associated with a proposed private development by Hansen Parkway Developers. The study results will be used to determine potential Agency participation in future redevelopment in the corridor.



Orchard Drive East Revenue Allocation Area

The Agency continued work with Summit Creek Development on development of Gemini Business Park in the Orchard Drive East Revenue Allocation Area, which was established in 2022.

In 2024, crews completed site work and initial construction of infrastructure to include water and wastewater extensions, roadways, sidewalks, landscaping, and electricity and natural gas enhancements.

The first three buildings of the proposed 1,215,000 square-foot industrial park were occupied in 2024. Construction on the next 100,000 square-foot building began in 2024 and is expected to be occupied in mid-2025.



Under the Owner-Participation Agreement for the project, public infrastructure improvements related to the new area are eligible for reimbursement, once the Agency realizes property tax allocation in the area. Staff have worked with the developer to establish a submission process for reviewing these expenses and determination for future reimbursement.

Washington Street South Revenue Allocation Area Termination

The Urban Renewal Plan for the Washington Street South Urban Renewal Project was adopted by the City Council on December 17, 2019, establishing the Washington Street South revenue allocation area. Its effective base year was retroactive to January 1, 2020. The contemplated development under the Washington Street South Plan did not occur and will not occur in the future.

In June 2024, the Agency Board adopted a resolution authorizing the termination of the Washington Street South RAA. All obligations and expenses from remaining projects were completed by September 30, 2024. Non-obligated surplus funds totaling \$48,522.36 were

remitted to the Twin Falls County Treasurer to be distributed to the taxing districts proportionately.

The ordinance officially terminating the revenue allocation area was adopted by the Twin Falls City Council on August 26, 2024.

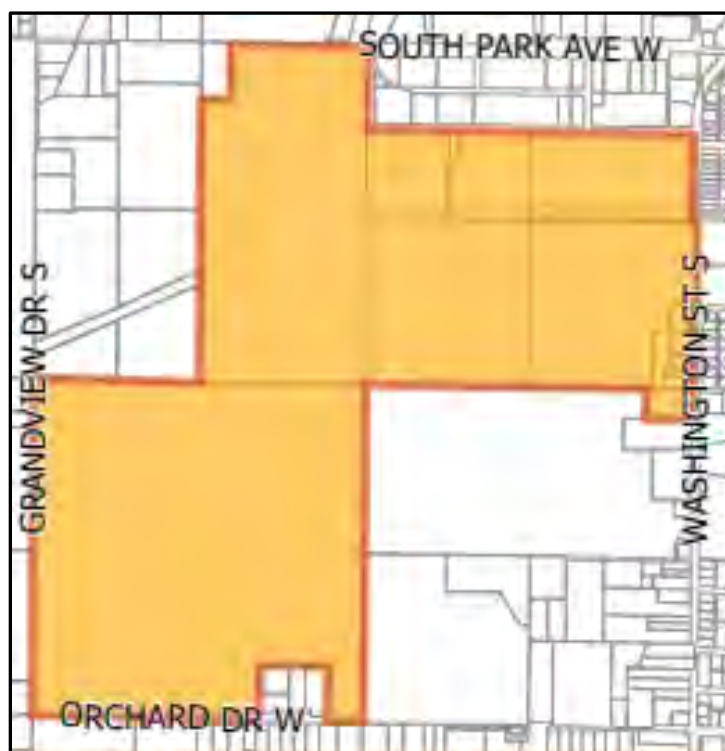
Southwest Revenue Allocation Area

As part of its work, the Urban Renewal Agency seeks to support industrial, manufacturing, and commercial development within the City of Twin Falls. The Agency has been a key driver of significant investments by private development in the past.

In June 2024, the Board moved forward with analysis of a potential new project area in the southwest part of Twin Falls for potential future industrial, manufacturing, and commercial development. The area is generally bounded by Washington Street South, Orchard Drive West, Grandview Drive South, and South Park Avenue West. Kushlan Associates was contracted to provide professional services related to the preparation of an Eligibility Report and Economic Feasibility Study relating to the proposed new revenue allocation area.

The area was identified as eligible for consideration of an Urban Renewal project area. Following the process as outlined in Idaho Code, the Twin Falls City Council adopted the ordinance to establish the new Southwest Urban Renewal Project and Revenue Allocation Area on December 16, 2024.

Southwest
Revenue
Allocation Area



Financial Information

We provide the following financial information as part of this Annual Report, in compliance with Idaho Code 67-1076(2)(b) and (c).

- The date of the last audit was for the fiscal year ending 9/30/2024.
- The average length of term of all bond obligations is 9 years.
- The average interest rate of all bond obligations is 6.6%.

The following attachments include additional Financial Information.

Attachment A: Adopted 2024-2025 Budget

Attachment B: FY 2023 Audit

Attachment C: FY 2024 Audit (*including budget to actual comparisons*).

Urban Renewal Agency of the City of Twin Falls, Idaho
Budget Estimates
Fiscal Year October 1, 2024 through September 30, 2025

[illegible]

Attachment B

FY 2023 Audit

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2023

**URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO**

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Mahlke Hunsaker & Company PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, 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.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Urban Renewal Agency of the City of Twin Falls, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Urban Renewal Agency of the City of Twin Falls, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Urban Renewal Agency of the City of Twin Falls, Idaho's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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 accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 31, 2024, 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 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 31, 2024

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 4,909,215
Receivables:	
Interest income	20,861
Real estate	3,942,322
Total Assets	\$ 8,872,398
Liabilities	
Pooled Cash Deficit	\$ 26,730
Accounts payable	27,927
Accrued interest	5,838,742
Deposits payable	4,556
Development Agreement	10,234,049
Project Improvement Reimbursement Agreement	14,234,032
Noncurrent liabilities	
Due within one year	2,468,000
Due in more than one year	26,329,000
Total Liabilities	59,163,036
Net Position	
Net investment in capital assets	(49,322,759)
Restricted for:	
Debt service	3,311,483
Redevelopment	22,911
Unrestricted	(4,302,273)
Total Net Position	(50,290,638)
Total Liabilities and Net Position	\$ 8,872,398

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, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Total
Primary Government:						
Governmental Activities:						
General government	\$ 285,383	\$ -	\$ -	\$ -	\$ (285,383)	\$ (285,383)
Community development	874,179	-	-	-	(874,179)	(874,179)
Interest on long-term debt	3,086,791	-	-	-	(3,086,791)	(3,086,791)
Total Governmental Activities	<u>4,246,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,246,353)</u>	<u>(4,246,353)</u>
General Revenues and Transfers:						
Taxes:						
Property taxes, levied for general tax increment purposes					7,456,918	7,456,918
Other income					150,000	150,000
Investment income					243,714	243,714
Rental Income					52,170	52,170
Gain on sale of assets					(1,764,821)	(1,764,821)
Contributions					283,498	283,498
Transfers					-	-
Total General Revenues and Transfers					<u>6,421,479</u>	<u>6,421,479</u>
Changes in Net Position					2,175,126	2,175,126
Net Position, October 1, 2022					<u>(52,465,764)</u>	<u>(52,465,764)</u>
Net Position, September 30, 2023					<u><u>\$ (50,290,638)</u></u>	<u><u>\$ (50,290,638)</u></u>

FINANCIAL STATEMENTS

Fund Financial Statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Fund Balance Sheet
GOVERNMENTAL FUNDS
September 30, 2023

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,566,352	\$ 45,421	\$ 3,297,442	\$ 4,909,215
Interest income receivable	6,803	17	14,041	20,861
Total Assets	<u>\$ 1,573,155</u>	<u>\$ 45,438</u>	<u>\$ 3,311,483</u>	<u>\$ 4,930,076</u>
Liabilities				
Pooled Cash Deficit	\$ -	\$ 26,730	\$ -	\$ 26,730
Accounts payable	27,927	-	-	27,927
Deposits payable	4,556	-	-	4,556
Total Liabilities	<u>32,483</u>	<u>26,730</u>	<u>-</u>	<u>59,213</u>
Fund Balances				
Restricted fund balance:	-	45,421	3,311,483	3,356,904
Unrestricted fund balance:				
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	1,540,672	(26,713)	-	1,513,959
Total Fund Balances	<u>1,540,672</u>	<u>18,708</u>	<u>3,311,483</u>	<u>4,870,863</u>
Total Liabilities and Fund Balances	<u>\$ 1,573,155</u>	<u>\$ 45,438</u>	<u>\$ 3,311,483</u>	<u>\$ 4,930,076</u>

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, 2023

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	\$ -	\$ 7,486,379	\$ -	\$ 7,486,379
Rental income	52,170	-	-	52,170
Investment income	72,985	29,920	140,810	243,715
Other income	150,000	-	-	150,000
Contributions	-	-	283,498	283,498
Total Revenues	<u>275,155</u>	<u>7,516,299</u>	<u>424,308</u>	<u>8,215,762</u>
Expenditures				
Current				
General government and administration	21,682	263,701	-	285,383
Area development and improvements	230,174	742,979	-	973,153
Real estate expense	-	2,694,607	-	2,694,607
Debt service				
Principal	-	328,740	2,400,000	2,728,740
Interest and other charges	-	2,000	1,912,373	1,914,373
Total Expenditures	<u>251,856</u>	<u>4,032,027</u>	<u>4,312,373</u>	<u>8,596,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>23,299</u>	<u>3,484,272</u>	<u>(3,888,065)</u>	<u>(380,494)</u>
Other Financing Sources (Uses)				
Transfers in (out)	-	(4,193,293)	4,193,293	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,193,293)</u>	<u>4,193,293</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	23,299	(709,021)	305,228	(380,494)
Fund Balances - Beginning of Year	1,517,373	727,729	3,006,255	5,251,357
Fund Balances - End of Year	<u>\$ 1,540,672</u>	<u>\$ 18,708</u>	<u>\$ 3,311,483</u>	<u>\$ 4,870,863</u>

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, 2023

Governmental Fund Balances	\$ 4,870,863
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	3,942,322
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	<u>(59,103,823)</u>
Total Net Position of Governmental Activities	<u><u>\$ (50,290,638)</u></u>

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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ (380,494)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset. This is the amount by which capital outlays exceeded depreciation in the current period	
Expenditures for capital assets	2,793,582
Loss on Sale of Capital Assets	(1,764,821)
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	(29,461)
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets	2,728,740
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	<u>(1,172,420)</u>
Changes in Net Position of Governmental Activities	<u><u>\$ 2,175,126</u></u>

The accompanying notes are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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. This original area terminated at the end of the fiscal year. Later other revenue allocation areas 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. This revenue allocation area has a termination date of December 31, 2023. During the subsequent year, in 2023, the Board will wind down the activities of the area and dispose of its assets.

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.

Washington Street South was created in January 2020 and contains approximately 90 acres. It is located primarily in the south-central part of the City and comprises parcels adjacent or near a major north/south arterial, Washington Street South, also designated as Idaho State Highway 74. The area currently has no planned development.

In November 2022, a new revenue allocation area was created, the Orchard Drive East Project Area. It consists of approximately 80 acres and is generally located on the west side of N 3300 Road E/Champlin Road and north of E 3700 N/Orchard Drive East.

The Idaho State Tax Commission is charged with maintaining a registry of urban renewal agency plans within the state. Copies of the plans for the above areas can be found at <https://tax.idaho.gov/urban-renewal-registry/>

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 of Twin Falls, Idaho.

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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Government-Wide Financial Statements-continued

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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Measurement Focus, Basis of Accounting and Basis of Presentation

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.

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.

**URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO**

**NOTES TO FINANCIAL STATEMENTS
September 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Revenues-Non-exchange Transactions-continued

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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 payables 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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Governmental Fund Balances-continued

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

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, 2023, the general fund exceeded appropriations by \$104,812.

Other

The Agency's Funds require 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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

3. CASH AND INVESTMENTS

Cash and Cash Equivalents – A reconciliation of cash and cash equivalents on September 30, 2023 is as follows.

Cash in bank	\$ 51,029
State Investment Pool	1,530,083
Money-market bond funds	<u>3,301,373</u>
Total Cash & Cash Equivalents	<u><u>\$ 4,882,485</u></u>

Cash and Cash Equivalents is reported on the financial statements:

Cash and Cash Equivalents	\$ 4,909,215
Pooled Cash Deficit	<u>(26,730)</u>
Total Cash & Cash Equivalents	<u><u>\$ 4,882,485</u></u>

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. The 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 2023.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

5. INTERFUND TRANSFERS

A summary of interfund transfers follows:

	Transfers In	Transfers Out
Redevelopment	\$ -	\$ 4,193,293
Debt Service	<u>4,193,293</u>	<u>-</u>
	<u>\$ 4,193,293</u>	<u>\$ 4,193,293</u>

6. CAPITAL ASSETS

A summary of activity of capital assets for the Agency for the year ended September 30, 2023, was as follows:

	Balance, September 30, 2022	Additions	Deletions or Transfers	2023
Governmental Activities:				
Land and Buildings	\$ 2,913,562	\$ 2,793,582	\$ (1,764,822)	\$ 3,942,322
	<u>\$ 2,913,562</u>	<u>\$ 2,793,582</u>	<u>\$ (1,764,822)</u>	<u>\$ 3,942,322</u>

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, 2023 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%.

\$ 9,575,000

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.

19,222,000

Total

\$ 28,797,000

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

7. LONG-TERM DEBT – continued

Expected annual maturities of these obligations are as follows:

<u>September 30,</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2024	\$ 4,471,890	2,003,890	2,468,000
2025	4,369,425	1,829,425	2,540,000
2026	4,275,779	1,648,779	2,627,000
2027	4,179,289	1,461,289	2,718,000
2028	4,085,784	1,266,784	2,819,000
2029-2033	16,152,367	3,142,367	13,010,000
2034-2036	2,878,450	263,450	2,615,000
Total	<u>\$ 40,412,984</u>	<u>\$ 11,615,984</u>	<u>\$ 28,797,000</u>

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, 2023, the Agency was indebted in the amount of \$14,234,032.

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, 2023, the Agency was indebted in the amount of \$10,234,049. That amount accrues interest at a variable rate, 7.5% on September 30, 2023. Accrued interest at year end totaled \$5,052,010. For several years the Agency has not been able to make any payments on the indebtedness. The agreement states that any existing debt with Clif Bar by the Agency at the end of the revenue allocation area's life ends without recourse.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

7. LONG-TERM DEBT – continued

During the year ended September 30, 2023, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2022	Additions	Repayments	Balances, September 30, 2023
Revenue Allocation Bonds, Series 2013A	\$ 20,882,000	\$ -	\$ 1,660,000	\$ 19,222,000
Revenue Allocation Bonds, Series 2016	10,315,000	-	740,000	9,575,000
Total Revenue Bonds	31,197,000	-	2,400,000	28,797,000
Chobani Idaho, LLC-Projects Improvements				
Reimbursement Agreement	14,562,772	-	328,740	14,234,032
Clif Bar-Development Agreement	10,234,049	-	-	10,234,049
Total Agreements	24,796,821	-	328,740	24,468,081
Total	\$ 55,993,821	\$ -	\$ 2,728,740	\$ 53,265,081

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

9. *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, 2023, the Agency was in compliance with these covenants.

10. *COMMITMENTS AND SUBSEQUENT EVENTS*

On November 27, 2023, a new revenue allocation area was created, the Old Towne-2 Revenue Allocation Area. It comprises approximately 370 acres and is generally bordered by 2nd Ave. N. (NE), Washington Street (W), Blue Lakes Blvd. (E), Rockcreek (S).

The trustee of the Revenue Allocation Bonds, Series 2013A, notified the Agency that it did not meet the requirement that property tax revenue collected must exceed the debt service payment by 1.25 times. As a result, the trustee will hold back 75% of “Available Pledged Revenue” following the April 1 payment date and it will be applied to the bonds. This process will continue until coverage returns to 1.25x through either increases in tax revenues, decreases to debt service, or both.

The Agency has evaluated subsequent events through January 31, 2024, the date on which the financial statements were available to be issued.

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, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Rental income	\$ 30,000	\$ 30,000	\$ 52,170	\$ 22,170
Investment Income	4,000	4,000	72,985	68,985
Other income	150,000	150,000	150,000	-
Total Revenues	<u>184,000</u>	<u>184,000</u>	<u>275,155</u>	<u>91,155</u>
Expenditures				
Current				
General government	55,889	55,889	21,682	34,207
Area development and improvements	-	-	230,174	(230,174)
Total Expenditures	<u>55,889</u>	<u>55,889</u>	<u>251,856</u>	<u>(195,967)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>128,111</u>	<u>128,111</u>	<u>23,299</u>	<u>(104,812)</u>
Other Financing Sources (Uses)				
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 128,111</u>	<u>\$ 128,111</u>	<u>23,299</u>	<u>\$ (104,812)</u>
Fund Balance - Beginning of Year			<u>1,517,373</u>	
Fund Balance - End of Year			<u>\$ 1,540,672</u>	

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, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 7,680,023	\$ 7,680,023	\$ 7,486,379	\$ (193,644)
Investment income	-	-	29,920	29,920
Total Revenues	<u>7,680,023</u>	<u>7,680,023</u>	<u>7,516,299</u>	<u>(163,724)</u>
Expenditures				
Current				
General government and administration	258,000	258,000	263,701	(5,701)
Area development and improvements	4,192,000	4,192,000	742,979	3,449,021
Real estate expense	-	-	2,694,607	(2,694,607)
Debt service				
Principal	650,000	650,000	328,740	321,260
Interest and other charges	2,000	2,000	2,000	-
Total Expenditures	<u>5,102,000</u>	<u>5,102,000</u>	<u>4,032,027</u>	<u>1,069,973</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,578,023</u>	<u>2,578,023</u>	<u>3,484,272</u>	<u>906,249</u>
Other Financing Sources (Uses)				
Contributions	50,000	50,000	-	(50,000)
Transfers in (out)	<u>(4,278,333)</u>	<u>(4,278,333)</u>	<u>(4,193,293)</u>	<u>85,040</u>
Total Other Financing Sources (Uses)	<u>(4,228,333)</u>	<u>(4,228,333)</u>	<u>(4,193,293)</u>	<u>35,040</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (1,650,310)</u>	<u>\$ (1,650,310)</u>	<u>(709,021)</u>	<u>\$ 941,289</u>
Fund Balance - Beginning of Year			<u>727,729</u>	
Fund Balance - End of Year			<u>\$ 18,708</u>	

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, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Investment income	\$ 1,100	\$ 1,100	\$ 140,810	139,710
Contributions	-	-	283,498	283,498
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>424,308</u>	<u>423,208</u>
Expenditures				
Debt service				
Principal	2,400,000	2,400,000	2,400,000	-
Interest and other charges	<u>1,879,433</u>	<u>1,879,433</u>	<u>1,912,373</u>	<u>(32,940)</u>
Total Expenditures	<u>4,279,433</u>	<u>4,279,433</u>	<u>4,312,373</u>	<u>(32,940)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,278,333)</u>	<u>(4,278,333)</u>	<u>(3,888,065)</u>	<u>390,268</u>
Other Financing Sources (Uses)				
Issuance of Debt			-	-
Transfers in (out)	<u>4,278,333</u>	<u>4,278,333</u>	<u>4,193,293</u>	<u>(85,040)</u>
Total Other Financing Sources (Uses)	<u>4,278,333</u>	<u>4,278,333</u>	<u>4,193,293</u>	<u>(85,040)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	305,228	<u>\$ 305,228</u>
Fund Balance - Beginning of Year			<u>3,006,255</u>	
Fund Balance - End of Year			<u>\$ 3,311,483</u>	

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, 2023

	Area 4-1	Area 4-3	Area 4-4	Washington Street South	Total Redevelopment Funds
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 45,421	\$ 45,421
Property tax receivable	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 10</u>	<u>\$ 45,421</u>	<u>\$ 45,438</u>
Liabilities					
Pooled cash deficit	\$ -	\$ 21,081	\$ 5,649	\$ -	\$ 26,730
Total Liabilities	<u>-</u>	<u>21,081</u>	<u>5,649</u>	<u>-</u>	<u>26,730</u>
Fund Balances					
Restricted fund balance:	-	-	-	45,421	45,421
Unrestricted fund balance:					
Committed fund balance	-	-	-	-	-
Assigned fund balance	-	-	-	-	-
Unassigned fund balance	-	(21,074)	(5,639)	-	(26,713)
Total Fund Balances	<u>-</u>	<u>(21,074)</u>	<u>(5,639)</u>	<u>45,421</u>	<u>18,708</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 10</u>	<u>\$ 45,421</u>	<u>\$ 45,438</u>

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, 2023

	Area 4-1	Area 4-3	Area 4-4	Washington Street South	Total Redevelopment Fund
Revenues					
Property taxes	\$ 2,945,996	\$ 3,491,618	\$ 1,010,503	\$ 38,262	\$ 7,486,379
Investment income	-	25,776	4,144	-	29,920
Total Revenues	<u>2,945,996</u>	<u>3,517,394</u>	<u>1,014,647</u>	<u>38,262</u>	<u>7,516,299</u>
Expenditures					
Current					
General government and administration	263,701	-	-	-	263,701
Area development and improvements	742,979	-	-	-	742,979
Real estate expense	2,694,607	-	-	-	2,694,607
Debt service					
Principal	-	328,740	-	-	328,740
Interest and other charges	-	-	2,000	-	2,000
Total Expenditures	<u>3,701,287</u>	<u>328,740</u>	<u>2,000</u>	<u>-</u>	<u>4,032,027</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(755,291)</u>	<u>3,188,654</u>	<u>1,012,647</u>	<u>38,262</u>	<u>3,484,272</u>
Other Financing Sources (Uses)					
Transfers in (out)	-	(3,179,824)	(1,013,469)	-	(4,193,293)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,179,824)</u>	<u>(1,013,469)</u>	<u>-</u>	<u>(4,193,293)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(755,291)	8,830	(822)	38,262	(709,021)
Fund Balance - Beginning of Year	755,291	(29,904)	(4,817)	7,159	727,729
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ (21,074)</u>	<u>\$ (5,639)</u>	<u>\$ 45,421</u>	<u>\$ 18,708</u>

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Combined Fund Balance Sheet
DEBT SERVICE FUNDS
September 30, 2023

	Area 4-3	Area 4-4	Total Debt Service Funds
Assets			
Cash and cash equivalents	\$ 3,297,442	\$ -	\$ 3,297,442
Interest income receivable	14,041	-	14,041
Total Assets	<u>\$ 3,311,483</u>	<u>\$ -</u>	<u>\$ 3,311,483</u>
Liabilities			
Pooled cash deficit	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted fund balance:	3,311,483	-	3,311,483
Unrestricted fund balance:			-
Committed fund balance	-	-	-
Assigned fund balance	-	-	-
Unassigned fund balance	-	-	-
Total Fund Balances	<u>3,311,483</u>	<u>-</u>	<u>3,311,483</u>
Total Liabilities and Fund Balances	<u>\$ 3,311,483</u>	<u>\$ -</u>	<u>\$ 3,311,483</u>

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, 2023

	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues			
Investment income	\$ 140,627	\$ 183	\$ 140,810
Contributions	-	283,498	283,498
Total Revenues	<u>140,627</u>	<u>283,681</u>	<u>424,308</u>
Expenditures			
Debt service			
Principal	1,660,000	740,000	2,400,000
Interest and other charges	1,355,223	557,150	1,912,373
Total Expenditures	<u>3,015,223</u>	<u>1,297,150</u>	<u>4,312,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,874,596)</u>	<u>(1,013,469)</u>	<u>(3,888,065)</u>
Other Financing Sources (Uses)			
Transfers in (out)	3,179,824	1,013,469	4,193,293
Total Other Financing Sources (Uses)	<u>3,179,824</u>	<u>1,013,469</u>	<u>4,193,293</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	305,228	-	305,228
Fund Balance - Beginning of Year	3,006,255	-	3,006,255
Fund Balance - End of Year	<u>\$ 3,311,483</u>	<u>\$ -</u>	<u>\$ 3,311,483</u>



Mahlke Hunsaker & Company PLLC

C e r t i f i e d P u b l i c A c c o u n t a n t s

**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, 2023, 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 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting (internal control) as a basis for designing 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 Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. 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 & COMPANY, PLLC
TWIN FALLS, IDAHO
January 31, 2024

Attachment C

FY 2024 Audit

(Including budget to actual comparisons)

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2024

**URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO**

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Mahlke Hunsaker & Company PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2024, 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.

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, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Urban Renewal Agency of the City of Twin Falls, Idaho and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Urban Renewal Agency of the City of Twin Falls, Idaho's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Urban Renewal Agency of the City of Twin Falls, Idaho's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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 accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 February 21, 2025, 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
February 21, 2025

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 5,332,226
Receivables:	
Property taxes	17,277
Interest income	21,855
Real estate	<u>3,942,322</u>
Total Assets	<u><u>\$ 9,313,680</u></u>
Liabilities	
Pooled Cash Deficit	\$ 5,264
Accounts payable	18,240
Accrued interest	6,828,871
Deposits payable	4,556
Development Agreement	10,234,049
Project Improvement Reimbursement Agreement	14,234,032
Noncurrent liabilities	
Due within one year	2,540,000
Due in more than one year	<u>23,563,000</u>
Total Liabilities	<u>57,428,012</u>
Net Position	
Net investment in capital assets	(46,628,759)
Restricted for:	
Debt service	5,015,354
Redevelopment	644,943
Unrestricted	<u>(7,145,870)</u>
Total Net Position	<u><u>(48,114,332)</u></u>
Total Liabilities and Net Position	<u><u>\$ 9,313,680</u></u>

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, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Total
Primary Government:						
Governmental Activities:						
General government	\$ 325,363	\$ -	\$ -	\$ -	\$ (325,363)	\$ (325,363)
Community development	45,953	-	-	-	(45,953)	(45,953)
Interest on long-term debt	2,997,019	-	-	-	(2,997,019)	(2,997,019)
Total Governmental Activities	<u>3,368,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,368,335)</u>	<u>(3,368,335)</u>
General Revenues and Transfers:						
Taxes:						
Property taxes, levied for general tax increment purposes					5,066,006	5,066,006
Other income					8,149	8,149
Investment income					302,932	302,932
Rental Income					48,400	48,400
Gain on sale of assets					-	-
Contributions					119,154	119,154
Transfers					<u>-</u>	<u>-</u>
Total General Revenues and Transfers					<u>5,544,641</u>	<u>5,544,641</u>
Changes in Net Position					2,176,306	2,176,306
Net Position, October 1, 2023					<u>(50,290,638)</u>	<u>(50,290,638)</u>
Net Position, September 30, 2024					<u><u>\$ (48,114,332)</u></u>	<u><u>\$ (48,114,332)</u></u>

FINANCIAL STATEMENTS

Fund Financial Statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Fund Balance Sheet
GOVERNMENTAL FUNDS
September 30, 2024

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,400,691	\$ 630,112	\$ 3,301,423	\$ 5,332,226
Property tax receivable	-	17,277	-	17,277
Interest income receivable	5,462	2,818	13,575	21,855
Total Assets	<u>\$ 1,406,153</u>	<u>\$ 650,207</u>	<u>\$ 3,314,998</u>	<u>\$ 5,371,358</u>
Liabilities				
Pooled Cash Deficit	\$ -	\$ 5,264	\$ -	\$ 5,264
Accounts payable	18,240	-	-	18,240
Deposits payable	4,556	-	-	4,556
Total Liabilities	<u>22,796</u>	<u>5,264</u>	<u>-</u>	<u>28,060</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	<u>-</u>	<u>16,372</u>	<u>-</u>	<u>16,372</u>
Fund Balances				
Restricted fund balance:	-	633,653	3,314,998	3,948,651
Unrestricted fund balance:				
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	1,383,357	(5,082)	-	1,378,275
Total Fund Balances	<u>1,383,357</u>	<u>628,571</u>	<u>3,314,998</u>	<u>5,326,926</u>
Total Liabilities and Fund Balances	<u>\$ 1,406,153</u>	<u>\$ 650,207</u>	<u>\$ 3,314,998</u>	<u>\$ 5,371,358</u>

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, 2024

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	\$ 1,160	\$ 5,048,474	\$ -	\$ 5,049,634
Rental income	48,400	-	-	48,400
Investment income	76,493	51,721	174,719	302,933
Other income	8,149	-	-	8,149
Contributions	-	-	119,154	119,154
Total Revenues	<u>134,202</u>	<u>5,100,195</u>	<u>293,873</u>	<u>5,528,270</u>
Expenditures				
Current				
General government and administration	291,517	31,278	-	322,795
Area development and improvements	-	48,522	-	48,522
Debt service				
Principal	-	-	2,694,000	2,694,000
Interest and other charges	-	-	2,006,890	2,006,890
Total Expenditures	<u>291,517</u>	<u>79,800</u>	<u>4,700,890</u>	<u>5,072,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(157,315)</u>	<u>5,020,395</u>	<u>(4,407,017)</u>	<u>456,063</u>
Other Financing Sources (Uses)				
Transfers in (out)	-	(4,410,532)	4,410,532	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,410,532)</u>	<u>4,410,532</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(157,315)</u>	<u>609,863</u>	<u>3,515</u>	<u>456,063</u>
Fund Balances - Beginning of Year	1,540,672	18,708	3,311,483	4,870,863
Fund Balances - End of Year	<u>\$ 1,383,357</u>	<u>\$ 628,571</u>	<u>\$ 3,314,998</u>	<u>\$ 5,326,926</u>

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, 2024

Governmental Fund Balances	\$ 5,326,926
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	3,942,322
Prepaid expenses are not a financial resource and therefore not reported in the governmental funds	-
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	16,372
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	<u>(57,399,952)</u>
Total Net Position of Governmental Activities	<u><u>\$ (48,114,332)</u></u>

**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, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 456,063
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	16,372
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets	2,694,000
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	<u>(990,129)</u>
Changes in Net Position of Governmental Activities	<u><u>\$ 2,176,306</u></u>

The accompanying notes are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS

**URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO**

**NOTES TO FINANCIAL STATEMENTS
September 30, 2024**

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. This original area terminated at the end of the fiscal year. Later other revenue allocation areas were added. The following revenue allocation areas now exist:

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.

Washington Street South was created in January 2020 and contains approximately 90 acres. It is located primarily in the south-central part of the City and comprises parcels adjacent or near a major north/south arterial, Washington Street South, also designated as Idaho State Highway 74. The area currently has no planned development. This revenue allocation area was terminated on August 26, 2024.

In November 2022, a new revenue allocation area was created, the Orchard Drive East Project Area. It consists of approximately 80 acres and is generally located on the west side of N 3300 Road E/Champlin Road and north of E 3700 N/Orchard Drive East.

The Idaho State Tax Commission is charged with maintaining a registry of urban renewal agency plans within the state. Copies of the plans for the above areas can be found at <https://tax.idaho.gov/urban-renewal-registry/>

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 of Twin Falls, Idaho.

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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Government-Wide Financial Statements-continued

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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Measurement Focus, Basis of Accounting and Basis of Presentation

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.

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.

**URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO**

**NOTES TO FINANCIAL STATEMENTS
September 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Revenues-Non-exchange Transactions-continued

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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 payables 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.

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Governmental Fund Balances-continued

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

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, 2024, no funds exceeded appropriations.

Other

The Agency's Funds require 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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

3. CASH AND INVESTMENTS

Cash and Cash Equivalents – A reconciliation of cash and cash equivalents on September 30, 2024 is as follows.

Cash in bank	\$ 79,900
State Investment Pool	1,287,916
Money-market bond funds	<u>3,959,146</u>
Total Cash & Cash Equivalents	<u><u>\$ 5,326,962</u></u>

Cash and Cash Equivalents is reported on the financial statements:

Cash and Cash Equivalents	\$ 5,332,226
Pooled Cash Deficit	<u>(5,264)</u>
Total Cash & Cash Equivalents	<u><u>\$ 5,326,962</u></u>

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. The 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 2024.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

5. INTERFUND TRANSFERS

A summary of interfund transfers follows:

	Transfers In	Transfers Out
Redevelopment	\$ -	\$ 4,410,532
Debt Service	<u>4,410,532</u>	<u>-</u>
	<u>\$ 4,410,532</u>	<u>\$ 4,410,532</u>

6. CAPITAL ASSETS

A summary of activity of capital assets for the Agency for the year ended September 30, 2024, was as follows:

	Balance, September 30, 2023	Additions	Deletions or Transfers	Balance, September 30, 2024
Governmental Activities:				
Land and Buildings	\$ 3,942,322	\$ -	\$ -	\$ 3,942,322
	<u>\$ 3,942,322</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,942,322</u>

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, 2024 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%.

\$ 8,850,000

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 7.738%. Repayment of the bonds is guaranteed by Chobani Global Holding , Inc.

17,253,000

Total

\$ 26,103,000

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

7. LONG-TERM DEBT – continued

Expected annual maturities of these obligations are as follows:

<u>September 30,</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2025	\$ 4,351,938	\$ 1,811,938	\$ 2,540,000
2026	4,258,292	1,631,292	2,627,000
2027	4,161,802	1,443,802	2,718,000
2028	4,068,297	1,249,297	2,819,000
2029	3,961,977	1,046,977	2,915,000
2030-2034	12,807,544	2,158,544	10,649,000
2035-2036	1,965,350	130,350	1,835,000
Total	<u>\$ 35,575,200</u>	<u>\$ 9,472,200</u>	<u>\$ 26,103,000</u>

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, 2024, the Agency was indebted in the amount of \$14,234,032. The agreement states that any existing debt with Chobani by the Agency at the end of the revenue allocation area's life ends without recourse.

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, 2024, the Agency was indebted in the amount of \$10,234,049. That amount accrues interest at a variable rate, 7.5% on September 30, 2024. Accrued interest at year end totaled \$6,140,230. For several years the Agency has not been able to make any payments on the indebtedness. The agreement states that any existing debt with Clif Bar by the Agency at the end of the revenue allocation area's life ends without recourse.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

7. LONG-TERM DEBT – continued

During the year ended September 30, 2024, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2023	Additions	Repayments	Balances, September 30, 2024
Revenue Allocation Bonds, Series 2013A	\$ 19,222,000	\$ -	\$ 1,969,000	\$ 17,253,000
Revenue Allocation Bonds, Series 2016	9,575,000	-	725,000	8,850,000
Total Revenue Bonds	28,797,000	-	2,694,000	26,103,000
Chobani Idaho, LLC-Projects Improvements				
Reimbursement Agreement	14,234,032	-	-	14,234,032
Clif Bar-Development Agreement	10,234,049	-	-	10,234,049
Total Agreements	24,468,081	-	-	24,468,081
Total	\$ 53,265,081	\$ -	\$ 2,694,000	\$ 50,571,081

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.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

9. *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, 2024, the Agency was not in compliance with these covenants.

The trustee of the Revenue Allocation Bonds, Series 2013A, notified the Agency that it did not meet the requirement that property tax revenue collected must exceed the debt service payment by 1.25 times. As a result, the trustee will hold back 75% of “Available Pledged Revenue” following the April 1 payment date and it will be applied to the bonds. This process will continue until coverage returns to 1.25x through either increases in tax revenues, decreases to debt service, or both.

10. *COMMITMENTS AND SUBSEQUENT EVENTS*

On December 16, 2024, a new revenue allocation area was created, the Southwest Revenue Allocation Area. The Project Area contains approximately 370 acres, inclusive of rights-of-way, and is generally located in the south-central part of the City. The Project Area is generally bounded on the east by a major north/south arterial, State Highway 74/Washington Street South, on the south by North Road, on the west by Grandview Drive, and on the north by portions of South Park A Venue West and Diamond Ave.

The Agency has evaluated subsequent events through February 21, 2025, the date on which the financial statements were available to be issued.

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, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ 1,160	\$ 1,160
Rental income	53,800	53,800	48,400	(5,400)
Investment Income	25,000	25,000	76,493	51,493
Other income	150,000	150,000	8,149	(141,851)
Total Revenues	<u>228,800</u>	<u>228,800</u>	<u>134,202</u>	<u>(94,598)</u>
Expenditures				
Current				
General government	255,772	255,772	291,517	(35,745)
Area development and improvements	<u>502,000</u>	<u>502,000</u>	<u>-</u>	<u>502,000</u>
Total Expenditures	<u>757,772</u>	<u>757,772</u>	<u>291,517</u>	<u>466,255</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(528,972)</u>	<u>(528,972)</u>	<u>(157,315)</u>	<u>371,657</u>
Other Financing Sources (Uses)				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (528,972)</u>	<u>\$ (528,972)</u>	<u>(157,315)</u>	<u>\$ 371,657</u>
Fund Balance - Beginning of Year			<u>1,540,672</u>	
Fund Balance - End of Year			<u>\$ 1,383,357</u>	

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, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 4,682,402	\$ 4,682,402	\$ 5,048,474	\$ 366,072
Investment income	1,400	1,400	51,721	50,321
Total Revenues	<u>4,683,802</u>	<u>4,683,802</u>	<u>5,100,195</u>	<u>416,393</u>
Expenditures				
Current				
General government and administration	-	-	31,278	(31,278)
Area development and improvements	-	-	48,522	(48,522)
Debt service				
Principal	450,000	224,000	-	224,000
Interest and other charges	-	-	-	-
Total Expenditures	<u>450,000</u>	<u>224,000</u>	<u>79,800</u>	<u>144,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,233,802</u>	<u>4,459,802</u>	<u>5,020,395</u>	<u>560,593</u>
Other Financing Sources (Uses)				
Contributions	221,588	221,588	-	(221,588)
Transfers in (out)	<u>(4,455,390)</u>	<u>(4,455,390)</u>	<u>(4,410,532)</u>	<u>44,858</u>
Total Other Financing Sources (Uses)	<u>(4,233,802)</u>	<u>(4,233,802)</u>	<u>(4,410,532)</u>	<u>(176,730)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 226,000</u>	609,863	<u>\$ 383,863</u>
Fund Balance - Beginning of Year			<u>18,708</u>	
Fund Balance - End of Year			<u>\$ 628,571</u>	

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, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Investment income	\$ 19,500	\$ 19,500	\$ 174,719	155,219
Contributions	-	-	119,154	119,154
Total Revenues	<u>19,500</u>	<u>19,500</u>	<u>293,873</u>	<u>274,373</u>
Expenditures				
Debt service				
Principal	2,468,000	2,694,000	2,694,000	(226,000)
Interest and other charges	<u>2,006,890</u>	<u>2,006,890</u>	<u>2,006,890</u>	<u>-</u>
Total Expenditures	<u>4,474,890</u>	<u>4,700,890</u>	<u>4,700,890</u>	<u>(226,000)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(4,455,390)</u>	<u>(4,681,390)</u>	<u>(4,407,017)</u>	<u>48,373</u>
Other Financing Sources (Uses)				
Transfers in (out)	<u>4,455,390</u>	<u>4,455,390</u>	<u>4,410,532</u>	<u>(44,858)</u>
Total Other Financing Sources (Uses)	<u>4,455,390</u>	<u>4,455,390</u>	<u>4,410,532</u>	<u>(44,858)</u>
Excess (Deficiency) of Revenues and Other Financing Sources				
Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (226,000)</u>	3,515	<u>\$ 3,515</u>
Fund Balance - Beginning of Year			<u>3,311,483</u>	
Fund Balance - End of Year			<u>\$ 3,314,998</u>	

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, 2024

	Area 4-3	Area 4-4	Washington Street South	Orchard Drive East	Total Redevelopment Funds
Assets					
Cash and cash equivalents	\$ 630,011	\$ -	\$ -	\$ 101	\$ 630,112
Property tax receivable	17,277	-	-	-	17,277
Interest income receivable	2,636	182	-	-	2,818
Total Assets	<u>\$ 649,924</u>	<u>\$ 182</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 650,207</u>
Liabilities					
Pooled cash deficit	\$ -	\$ 5,264	\$ -	\$ -	\$ 5,264
Total Liabilities	<u>-</u>	<u>5,264</u>	<u>-</u>	<u>-</u>	<u>5,264</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	<u>16,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,372</u>
Fund Balances					
Restricted fund balance:	633,552	-	-	101	633,653
Unrestricted fund balance:					-
Committed fund balance	-				-
Assigned fund balance	-	-	-	-	-
Unassigned fund balance	<u>-</u>	<u>(5,082)</u>	<u>-</u>	<u>-</u>	<u>(5,082)</u>
Total Fund Balances	<u>633,552</u>	<u>(5,082)</u>	<u>-</u>	<u>101</u>	<u>628,571</u>
Total Liabilities and Fund Balances	<u>\$ 649,924</u>	<u>\$ 182</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 650,207</u>

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, 2024

	Area 4-3	Area 4-4	Washington Street South	Orchard Drive East	Total Redevelopment Fund
Revenues					
Property taxes	\$ 3,908,176	\$ 1,105,818	\$ 34,379	\$ 101	\$ 5,048,474
Investment income	34,735	16,986	-	-	51,721
Total Revenues	<u>3,942,911</u>	<u>1,122,804</u>	<u>34,379</u>	<u>101</u>	<u>5,100,195</u>
Expenditures					
Current					
General government and administration	-	-	31,278	-	31,278
Area development and improvements	<u>-</u>	<u>-</u>	<u>48,522</u>	<u>-</u>	<u>48,522</u>
Total Expenditures	-	-	79,800	-	79,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,942,911</u>	<u>1,122,804</u>	<u>(45,421)</u>	<u>101</u>	<u>5,020,395</u>
Other Financing Sources (Uses)					
Transfers in (out)	<u>(3,288,285)</u>	<u>(1,122,247)</u>	<u>-</u>	<u>-</u>	<u>(4,410,532)</u>
Total Other Financing Sources (Uses)	<u>(3,288,285)</u>	<u>(1,122,247)</u>	<u>-</u>	<u>-</u>	<u>(4,410,532)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	654,626	557	(45,421)	101	609,863
Fund Balance - Beginning of Year	<u>(21,074)</u>	<u>(5,639)</u>	<u>45,421</u>	<u>-</u>	<u>18,708</u>
Fund Balance - End of Year	<u>\$ 633,552</u>	<u>\$ (5,082)</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 628,571</u>

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Combined Fund Balance Sheet
DEBT SERVICE FUNDS
September 30, 2024

	Area 4-3	Area 4-4	Total Debt Service Funds
Assets			
Cash and cash equivalents	\$ 3,301,162	\$ 261	\$ 3,301,423
Interest income receivable	13,575	-	13,575
Total Assets	<u>\$ 3,314,737</u>	<u>\$ 261</u>	<u>\$ 3,314,998</u>
Liabilities			
Pooled cash deficit	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted fund balance:	3,314,737	261	3,314,998
Unrestricted fund balance:			-
Committed fund balance	-	-	-
Assigned fund balance	-	-	-
Unassigned fund balance	-	-	-
Total Fund Balances	<u>3,314,737</u>	<u>261</u>	<u>3,314,998</u>
Total Liabilities and Fund Balances	<u>\$ 3,314,737</u>	<u>\$ 261</u>	<u>\$ 3,314,998</u>

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, 2024

	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues			
Investment income	\$ 174,271	\$ 448	\$ 174,719
Contributions	-	119,154	119,154
Total Revenues	<u>174,271</u>	<u>119,602</u>	<u>293,873</u>
Expenditures			
Debt service			
Principal	1,969,000	725,000	2,694,000
Interest and other charges	1,490,302	516,588	2,006,890
Total Expenditures	<u>3,459,302</u>	<u>1,241,588</u>	<u>4,700,890</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(3,285,031)</u>	<u>(1,121,986)</u>	<u>(4,407,017)</u>
Other Financing Sources (Uses)			
Transfers in (out)	<u>3,288,285</u>	<u>1,122,247</u>	<u>4,410,532</u>
Total Other Financing Sources (Uses)	<u>3,288,285</u>	<u>1,122,247</u>	<u>4,410,532</u>
Excess (Deficiency) of Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Financing Uses	3,254	261	3,515
Fund Balance - Beginning of Year	3,311,483	-	3,311,483
Fund Balance - End of Year	<u><u>\$ 3,314,737</u></u>	<u><u>\$ 261</u></u>	<u><u>\$ 3,314,998</u></u>



Mahlke Hunsaker & Company PLLC

C e r t i f i e d P u b l i c A c c o u n t a n t s

**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, 2024, 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 February 21, 2025.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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

February 21, 2025