THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

AGENDA

City Council Chambers
305 3rd Avenue East, Twin Falls, Idaho

Monday, February 13, 2017 at 12:00 p.m.

URBAN RENEWAL AGENCY BOARD MEMBERS:

Dan Brizee	Dexter Ball	Neil Christensen	Perri Gardner	Bob Richards	Gary Garnand	Brad Wills
Chairman	**Vice-Chairman**	**Secretary**				

Call Meeting to Order

Consideration of Amendments to the Agenda

Agenda Items:

1. Consent Agenda:
    a. Request to approve the January 9, 2017 meeting minutes.
    b. Request to approve the February 3, 2017 special meeting minutes.
    c. Request to approve the Accounts Payable for February 2017.
2. Presentation of the FY2016 Audited Financial Statements (see attached) by Scott Hunsaker of Mahlke Hunsaker & Co.
3. Presentation of the 2016 Annual Report (see attached) by Nathan Murray.
4. Consideration of a request to approve Resolution #2017-1 authorizing the filing of the 2016 Annual Report as submitted (see attached) by Nathan Murray.
5. Consideration of requests to approve a Master Licensing Agreement for right-of-way work, and an agreement for 'Vault Removal' at 144 and 148 Main Avenue East, related to the Main Avenue Reconstruction Project (see attached) by Nathan Murray and Meghan Conrad.
6. Presentation of the City of Twin Falls Strategic Plan Update (see attached) by Phil Kushlan.
7. Discussion regarding a Property Management Policy with regard to Acquisition, Retention, and Disposition of Real Property (see attached) by Phil Kushlan.
8. Public input and/or items from the Urban Renewal Agency Board or staff.
9. Adjourn.

Next regular meeting: Monday, March 13, 2017 @ 12:00 pm

**Any person(s) needing special accommodations to participate in the above noticed meeting should contact Lorrie Bauer at (208) 735-7313 at least two days before the meeting. Si desea esta información en español, llame Leila Sanchez al (208)735-7287.*

MEETING MINUTES

January 9, 2017

The Urban Renewal Agency held its regular monthly meeting at 12:00 p.m. this date in the Twin Falls City Council Chambers located at 305 3rd Avenue East, Twin Falls.

Present:		Absent: Perri Gardner
Dan Brizee	URA Chairman	Neil Christensen
Dexter Ball	URA Vice Chairman	
Bob Richards	URA Member	
Gary Garnand	URA Member	
Brad Wills	URA Member	

Also present:

Nathan Murray	URA Executive Director
Jesse Schuerman	URA Engineer
Brent Hyatt	City Assistant Finance Officer
Lorrie Bauer	Recording Secretary
Travis Rothweiler	City Manager
Renee Carraway Johnson	City Zoning & Development Manager
Fritz Wonderlich	City Attorney
Joshua Palmer	Public Information Officer
Lee Glaesemann	City Staff Engineer
Gary Haderlie	JUB
Paul Johnson	CH2M

Chairman Brizee called the meeting to order at 12:03 p.m.
Consideration of Amendments to the Agenda: None.

Agenda Item 1 - Consent Agenda: a) Review and approval of minutes from the December 12, 2016 regular meeting and b) Review and approval of the January 2017 financial report.
Bob Richards moved to accept the consent agenda as submitted and Dexter Ball seconded the motion. Roll call vote showed that all board members present voted in favor of the motion.

Agenda Item 2 - **Executive Director's Report.**
Executive Director Nathan Murray reported on various subjects as noted in his report supplied with the meeting packet.

- Upflow Anaerobic Sludge Blanket (USAB): Owned by the City of Twin Falls, the USAB accommodates wastewater from a Lamb Weston. Due to environmental and regulatory climates and maintenance costs, it is believed to be more appropriate that a private user operate this system. Transfer of ownership to the URA has already been authorized. The URA will immediately sell it. A

Notice for a Request for Proposal to acquire the USAB will be published on Thursday, January 12 with proposals due February 3.

- Downtown Projects: Meetings continue with potential developers. Though no formal requests, discussions continue of a possible sale of URA owned property, the purchase of a façade easement, and a traffic/parking study.
- Consultant Tasks: A work session will be scheduled in March or April to discuss Phil Kushlan's "Draft" Policy for Real Property Management.
- John E. Hayes Statue: The funds to commission the statue have been raised. Preservation Twin Falls will be discussing potential locations for the statue with the City Council.

Agenda Item 3 – Main Avenue Update.

Paul Johnson, with CH2M, reported the update as noted in his report supplied with the meeting packet. Some topics were:

- Guho Corp. is preparing the bid packages for bidding the project. They are also preparing a cost estimate based on the final design submittal. CH2M will compare this estimate to the designer's (Otak's) updated estimate and will advise the URA of the anticipated construction cost. The guaranteed maximum price (GMP) will be prepared in February and the CM/GC Agreement will be amended to include the construction contract cost and scope.
- The block-by-block phasing plan submitted by Guho indicates the first visible construction activity to the public will be the landscape demolition in February, weather permitting. The anticipated construction staging is included in the Project Information Flyer.
- The final review of the bid plans are in progress and will be submitted to Guho upon completion in mid-January.
- Project Information Flyer, prepared by Otak, is currently in draft form. Once approved, it will be distributed to merchants along Main Ave. and made available on the City's project information website.
- In regards to basement issues at Wells Fargo and Key Bank, a licensing agreement establishing the liability of continued basement extensions under Main Avenue, is currently being drafted by the URA's legal representative. Further discussions will be taking place with all involved parties.
- If there are remaining funds, a sidewalk repair project is an option to be discussed.
- The URA's Cost Control Report for Area 4-1 projects is updated monthly. The project is on budget at this time.

There was a question regarding a portable skating rink for the commons area. More information will be supplied at a later date and discussion will continue.

Agenda Item 4 – Approval of a request by Twin Falls City to modify an existing easement on property owned by the URA in Rock Creek Canyon.

Executive Director, Nathan Murray, introduced Lee Glaesmann, City Engineer, who explained the request. Due to current sewer and trail improvement projects, more area is needed to work on these projects. A 15' easement is currently in place, but 30' is needed/requested. Bob Richards moved to approve the request and Gary Garnand seconded the motion. Roll call vote showed that all board members present voted in favor of the motion.

Agenda Item 5 - Public input and/or items from the Urban Renewal Agency Board or staff. None.

Adjourn.

The meeting adjourned at 12:50 p.m.

Next regular meeting: Monday, February 13, 2017 @ 12:00 pm

Respectfully submitted,

Lorrie Bauer
Recording Secretary

SPECIAL MEETING MINUTES

February 3, 2017

The Urban Renewal Agency held a special meeting at 12:00 p.m. this date in the Twin Falls City Council Chambers located at 305 3rd Avenue East, Twin Falls.

Present:		**Absent:**
Dan Brizee	URA Chairman	Perri Gardner
Dexter Ball	URA Vice Chairman	Gary Garnand
Neil Christensen	URA Secretary	
Bob Richards	URA Member	
Brad Wills	URA Member	

Also present:

Nathan Murray	URA Executive Director
Jesse Schuerman	URA Engineer
Lorrie Bauer	Recording Secretary
Don Hall	County Commissioner
Paul Johnson	CH2M
Anthony Guho	Guho Corp., Project Manager
Rob Cloninger	Guho Corp., Superintendent
Chris Talkington	City Council Member

Chairman Brizee called the meeting to order at 12:00 p.m.
Consideration of Amendments to the Agenda: None.

Agenda Item 1 – Main Ave. Update – Paul Johnson, CH2M.

Paul Johnson summarized the update that was supplied with the meeting packet, which included:

- CM/GC Guho Corp. preparing the bid packages for the construction phase with a GMP estimate of approximately $6.5. The final draft of the plans are currently being reviewed.
- Landscape removal bid opening on January 26th resulted four bids with Four Seasons being the low bidder at $21,000. Road Work Ahead bid $5,302.25 for traffic control. Removal scheduled for February 17-20, 2017. Repurposing and recycling of the wood has been expressed to the contractor and public outreach is in progress.
- A block-by-block phasing plan has been accepted for construction. The construction sequencing timeframe is included within the project information flyer that is being distributed to merchants along Main Avenue and available on the City's project website. Construction to begin in April.
- Licensing agreements between the URA and three affected property owners have been drafted establishing the liability of construction work adjacent to basement extensions under Main Ave. Further discussions will take place to negotiate issues concerning inspections, scheduling, and land-use around the time of construction.
- The overall project remains on schedule. Ground breaking for the project is scheduled for April 1st.

Agenda Item 2 - Consideration of a request to approve the CM/GC Amendment to cover the cost of 1) landscape demolition along the five city blocks and associated traffic control required for February 17-20, 2017; and 2) environmental survey of Crowley property – Paul Johnson & Nathan Murray.

Relating to previously approved tasks, Mr. Johnson explained that the GMP Amendment #1 for $56,538.00 would cover Four Seasons Landscaping for tree removal in the amount of $21,000, traffic control for $5,302, storm water protection, and other associated costs for the landscape demolition process. The Amendment is also for an environmental assessment at 144 Main Avenue E. to confirm there are no hazardous materials. If these materials exist, they will need to be removed prior to construction.

Brad Wills motioned to approve the CM/GC Amendment as stated and Bob Richards seconded the motion. Roll call vote showed that all board members present voted in favor of the motion.

Agenda Item 3 - Consideration of a request to approve Otak and JUB services during the Main Avenue construction phase – Paul Johnson & Nathan Murray.

Otak submitted a proposal, $187,114, for services during construction, which includes services by JUB Engineers. The proposal also included an additional allowance of $22,260 for optional community outreach services, if requested. Being the lead firms providing design engineering and landscape architecture services for the project, Paul recommended the Board approve the proposal to ensure design consistency, etc., as stated in the Scope of Services. Discussion followed.

Brad Wills motioned to approve the request of Otak and JUB services during the Main Avenue construction phase subject to legal review by legal counsel for URA before Chairman signs the document. Neil Christensen seconded the motion. Roll call vote showed that all board members present voted in favor of the motion.

Chairman Brizee asked for an update on the plaza. Nathan Murray replied that the plans are due mid-February and he will contact Otak for confirmation.

Agenda Item 12 - Adjourn.
The meeting adjourned at 12:45 pm.
Next regular meeting: Monday, February 13, 2017 @ 12:00 pm.

Respectfully submitted,

Lorrie Bauer
Recording Secretary

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October 2016 through January 2017

	Oct '16 - Jan 17	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Washington Fed. Bond Proceeds	0.00	5,099,861.00	-5,099,861.00	0.0%
Line of Credit Adv. - Clif Bar	684,407.16	606,000.00	78,407.16	112.9%
Investment Income	11,802.61	9,500.00	2,302.61	124.2%
Other Income	305.00			
Property Taxes	3,653,322.49	9,311,977.00	-5,658,654.51	39.2%
Rental Income	148,659.29	456,483.00	-307,823.71	32.6%
Total Income	4,498,496.55	15,483,821.00	-10,985,324.45	29.1%
Gross Profit	4,498,496.55	15,483,821.00	-10,985,324.45	29.1%
Expense				
RAA 4-1				
Goold Parking Lot	4,750.00			
Main Ave.	209,448.68			
Rogerson Building	6,082.70			
Downtown Development	11,393.13			
RAA 4-1 - Other	0.00	9,082,615.00	-9,082,615.00	0.0%
Total RAA 4-1	231,674.51	9,082,615.00	-8,850,940.49	2.6%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	0.00	1,319,446.00	-1,319,446.00	0.0%
Debt Pay. (Chobani) Principal	0.00	4,967,054.00	-4,967,054.00	0.0%
Total RAA 4-3 (Chobani)	0.00	6,286,500.00	-6,286,500.00	0.0%
RAA 4-4 (Clif Bar)	254,573.25	606,000.00	-351,426.75	42.0%
Bond Trustee Fees	0.00	5,000.00	-5,000.00	0.0%
Community Relations & Website	0.00	1,000.00	-1,000.00	0.0%
Debt Payments - Interest	26,994.96	976,704.00	-949,709.04	2.8%
Debt Payments - Principal	0.00	1,040,000.00	-1,040,000.00	0.0%
Dues and Subscriptions	850.00	2,300.00	-1,450.00	37.0%
Insurance Expense	0.00	6,045.00	-6,045.00	0.0%
Legal Expense	12,145.66	30,000.00	-17,854.34	40.5%
Management Fee	0.00	198,000.00	-198,000.00	0.0%
Meeting Expense	414.86	3,500.00	-3,085.14	11.9%
Miscellaneous	0.00	2,500.00	-2,500.00	0.0%
Office Expense	0.00	600.00	-600.00	0.0%
Prof. Dev.\Training	500.00	2,500.00	-2,000.00	20.0%
Professional Fees	5,847.90	100,000.00	-94,152.10	5.8%
Property Tax Expense	28,605.79	37,750.00	-9,144.21	75.8%
Real Estate Exp. - Call Center	8,957.34	153,400.00	-144,442.66	5.8%
Real Estate Exp. - Other	1,652.98	7,700.00	-6,047.02	21.5%
Real Estate Lease	72,000.00	72,000.00	0.00	100.0%
Total Expense	644,217.25	18,614,114.00	-17,969,896.75	3.5%
Net Ordinary Income	3,854,279.30	-3,130,293.00	6,984,572.30	-123.1%
Other Income/Expense				
Other Income				
Transfers In	0.00	367,445.00	-367,445.00	0.0%
Transfers Out	0.00	-367,445.00	367,445.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	**3,854,279.30**	**-3,130,293.00**	**6,984,572.30**	**-123.1%**

Twin Falls Urban February Check List - 2017

Check #	Date	Paid Amount	Name	Account	Fund	Memo
3433	01/23/2017	1,130.00	Keller Associates	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	Clif Wastewater Facility/#28 updated
3434	01/25/2017	3,107.46	Washington Federal	Debt Payments - Interest	Rev Alloc 4-1	Interest due on Line of Credit Acct #4647541
3434	01/25/2017	23,887.50	Washington Federal	Debt Payments - Interest	Rev Alloc 4-1	Interest due on Refunding Bond Acct #4603726
3435	01/31/2017	2,342,057.62	Zions First National Bank	Zions #8616B - Payment Acct.	zz-Bond Fund - Zions Bank-Chob.	RAA 4-3 (Chobani) Property Tax Transfer
3435	01/31/2017	251,192.24	Zions First National Bank	Zions #8617B - Payment Acct	zz-Bond Fund - Zions Bank-Clif	RAA 4-4 (Clif Bar) Property Tax Transfer
3436	02/07/2017	18,852.82	CH2M	Main Ave.	Rev Alloc 4-1	Owner's Representataive Services / #381092534
3437	02/07/2017	99,000.00	City of Twin Falls	Management Fee	General	1/2 of 2017 Management Fee
3437	02/07/2017	144.93	City of Twin Falls	Meeting Expense	General	Lunch - 2/3/17 Special Meeting (McAlister's)
3438	02/07/2017	65.00	EHM Engineers, Inc.	Rogerson Building	Rev Alloc 4-1	Building Demolition / #001-15
3439	02/07/2017	2,659.64	Elam & Burke	Legal Expense	General	Consultation & Review / #165937
3440	02/07/2017	52,104.13	Guho Corporation	Main Ave.	Rev Alloc 4-1	Sreetscape Preconstruction / #160101054-01
3441	02/07/2017	113.00	The Gyros Shop LLC	Meeting Expense	General	Lunch - 1/8/17 Meeting
3442	02/07/2017	12.15	Idaho Power	Real Estate Exp. - Other	Rev Alloc 4-1	Power - 122 4th Av S (Park)
3442	02/07/2017	290.11	Idaho Power	Real Estate Exp. - Call Center	Rental Fund	Power Bill
3443	02/07/2017	17,690.39	JUB Engineers, Inc.	Main Ave.	Rev Alloc 4-1	2015 Main Ave Utilities / #105998
3444	02/07/2017	450.00	K & G Property Management	Real Estate Exp. - Call Center	Rental Fund	Property Management - January / #3648
3445	02/07/2017	7,763.13	Kimberly Nurseries	Real Estate Exp. - Call Center	Rental Fund	Snow/Ice Removal / 01/04 - 01/25
3445	02/07/2017	3,374.38	Kimberly Nurseries	Real Estate Exp. - Other	Rev Alloc 4-1	Snow/Ice Removal - Idaho St / 01/04 - 01/24
3446	02/07/2017	2,544.45	Kushlan Associates	Professional Fees	General	On-Call Task Order 2016-04 / #2017-02
3447	02/07/2017	12,566.57	Otak	Main Ave.	Rev Alloc 4-1	Main Ave & Downtown Commons / #121600368
3448	02/07/2017	27.62	Times News	Legal Expense	Rev Alloc 4-1	RFP for UASB Reactor System / #39272
3449	02/07/2017	3,000.00	Zions First National Bank	Bond Trustee Fees	Rev Alloc 4-3	Bond Trustee Fee / #8568616
3450	02/08/2017	22,569.00	Otak	Main Ave.	Rev Alloc 4-1	Main Ave & Downtown Commons/#11700453

Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss
January 2017

		Jan 17
Ordinary Income/Expense		
Income		
Line of Credit Adv. - Clif Bar		1,130.00
Investment Income		4,228.77
Other Income		305.00
Property Taxes		3,615,626.42
Rental Income		72,329.64
Total Income		3,693,619.83
Gross Profit		3,693,619.83
Expense		
RAA 4-1		
Main Ave.	41,659.37	
Rogerson Building	4,975.50	
Downtown Development	4,459.00	
Total RAA 4-1		51,093.87
RAA 4-4 (Clif Bar)		1,130.30
Debt Payments - Interest		26,994.96
Legal Expense		6,004.75
Meeting Expense		219.00
Professional Fees		1,875.00
Property Tax Expense		16,477.14
Real Estate Exp. - Call Center		3,103.04
Real Estate Exp. - Other		1,632.21
Real Estate Lease		72,000.00
Total Expense		180,530.27
Net Ordinary Income		3,513,089.56
Net Income		**3,513,089.56**

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2016

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

Table of Contents

MH&co Mahlke Hunsaker & Company PLLC
Certified Public Accountants

January 19, 2017

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type 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, 2016, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 30-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2017, 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 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 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

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	7,064,230	$ 398,811	$ 7,463,041
Receivables:			
Property taxes	120,032	-	120,032
Other governments	12,162	-	12,162
Other	-	-	-
Prepaid Expenses	18,000	-	18,000
Construction in progress	13,596,138	-	13,596,138
Real estate	2,621,783	-	2,621,783
Land, buildings and improvements	-	5,206,902	5,206,902
Equipment	-	475,000	475,000
Accumulated depreciation	-	(949,510)	(949,510)
Total Assets	$ 23,432,345	$ 5,131,203	$ 28,563,548
Liabilities			
Accounts payable	$ 570,764	$ 4,352	$ 575,116
Security deposits	-	-	-
Accrued interest	1,083,567	-	1,083,567
Development Agreement	9,417,363	-	9,417,363
Project Improvement Reimbursement Agreement	7,043,659	-	7,043,659
Noncurrent liabilities			
Due within one year	2,279,000	-	2,279,000
Due in more than one year	43,374,139	-	43,374,139
Total Liabilities	63,768,492	4,352	63,772,844
Net Position			
Net investment in capital assets	6,800,558	4,732,392	11,532,950
Restricted for:			
Debt service	3,181,097	-	3,181,097
Unrestricted	(50,317,802)	394,459	(49,923,343)
Total Net Position	(40,336,147)	5,126,851	(35,209,296)
Total Liabilities and Net Position	$ 23,432,345	$ 5,131,203	$ 28,563,548

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, 2016

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	$ 231,690	$ -	$ -	$ -	$ (231,690)	$ -	$ (231,690)
Community development	27,358,915	-	-	-	(27,358,915)	-	(27,358,915)
Interest on long-term debt	2,630,021	-	-	-	(2,630,021)	-	(2,630,021)
Total Governmental Activities	30,220,626	-	-	-	(30,220,626)	-	(30,220,626)
Business-Type Activities:							
Rental property	255,612	442,258	-	-	-	186,646	186,646
Total Business-Type Activities	255,612	442,258	-	-	-	186,646	186,646
Total Primary Government							
General Revenues and Transfers:							
Taxes:							
Property taxes, levied for general tax increment purposes					8,719,955	-	8,719,955
Interest and investment earnings					20,808	-	20,808
Transfers					9,000	(9,000)	-
Total General Revenues and Transfers					8,749,763	(9,000)	8,740,763
Changes in Net Position					(21,470,863)	177,646	(21,293,217)
Net Position, October 1, 2015					(18,865,284)	4,949,205	(13,916,079)
Net Position, September 30, 2016					$ (40,336,147)	$ 5,126,851	$ (35,209,296)

The accompanying notes are an integral part of the financial statements

FINANCIAL STATEMENTS

Fund Financial Statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Fund Balance Sheet

GOVERNMENTAL FUNDS

September 30, 2016

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash	$ 12,075	$ 3,871,059	$ 57,009	$ 3,940,143
Restricted cash	-	-	3,124,088	3,124,088
Property tax receivable	-	120,032	-	120,032
Other receivables		-	-	-
Due from other governments	-	12,162	-	12,162
Total Assets	$ 12,075	$ 4,003,253	$ 3,181,097	$ 7,196,425
Liabilities				
Accounts payable	$ 12,075	$ 558,689	-	$ 570,764
Total Liabilities	12,075	558,689	-	570,764
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	120,032	-	120,032
Fund Balances				
Restricted fund balance:	-	-	3,181,097	3,181,097
Unrestricted fund balance:				-
Committed fund balance	-	3,765,470	-	3,765,470
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	(440,938)	-	(440,938)
Total Fund Balances	-	3,324,532	3,181,097	6,505,629
Total Liabilities and Fund Balances	$ 12,075	$ 4,003,253	$ 3,181,097	$ 7,196,425

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, 2016

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	$ -	$ 6,192,128	$ 2,538,366	$ 8,730,494
Investment income	15,995	2,082	2,732	20,809
Total Revenues	15,995	6,194,210	2,541,098	8,751,303
Expenditures				
Current				
General government and administration	231,690	56	-	231,746
Area development and improvements	-	24,261,992	-	24,261,992
Real estate expense	-	5,906	-	5,906
Debt service				-
Principal	-	19,636,635	1,180,000	20,816,635
Interest and other charges	-	1,258,394	1,372,570	2,630,964
Bond issuance costs	-	-	39,500	39,500
Total Expenditures	231,690	45,162,983	2,592,070	47,986,743
Excess (Deficiency) of Revenues Over (Under) Expenditures	(215,695)	(38,968,773)	(50,972)	(39,235,440)
Other Financing Sources (Uses)				
Transfers in (out)	215,697	12,936,645	(13,143,342)	9,000
Construction advances	-	20,976,202	-	20,976,202
Issuance of debt	-	-	13,670,000	13,670,000
Bond loan fees	-	-	-	-
Total Other Financing Sources (Uses)	215,697	33,912,847	526,658	34,655,202
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2	(5,055,926)	475,686	(4,580,238)
Fund Balances - Beginning of Year	(2)	8,380,458	2,705,411	11,085,867
Fund Balances - End of Year	$ -	$ 3,324,532	$ 3,181,097	$ 6,505,629

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, 2016

Governmental Fund Balances	$	6,505,629
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		16,217,921
Prepaid expenses are not a financial resource and therefore not reported in the governmental funds		18,000
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		120,031
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		(63,197,728)
Total Net Position of Governmental Activities	$	(40,336,147)

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, 2016

Net Change in Fund Balances - Total Governmental Funds	$	(4,580,238)
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		(10,537)
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets		20,816,634
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		40,442
Government funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities		-
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources		(34,646,202)
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocatred over their estimated useful lives as depreciation expense. This is the amount by which the removal of completed projects exceeded capitalized capital outlay in the current period		(3,090,962)
Changes in Net Position of Governmental Activities	$	(21,470,863)

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

PROPRIETARY FUND

September 30, 2016

		Rental Activity
Assets		
Cash	$	398,811
Land, Buildings and Improvements		5,206,902
Equipment		475,000
Accumulated Depreciation		(949,510)
Total Assets	$	5,131,203
Liabilities		
Accounts Payable	$	4,352
Security Deposits		-
Total Liabilities		4,352
Net Position		
Net Investment in Capital Assets		4,732,392
Restricted		-
Unrestricted		394,459
Total Net Position		5,126,851
Total Liabilities and Net Position	$	5,131,203

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Revenues, Expenses and Changes in Fund Net Position

PROPRIETARY FUND

For the Year Ended September 30, 2016

		Rental Activity
Operating Revenues		
Rental income	$	442,258
Total Operating Revenues		442,258
Expenses		
Depreciation		96,776
Property taxes		36,631
Real estate lease		72,000
Real estate expense		45,705
Total Operating Expenses		255,612
Operating Income (Loss)		186,646
Interfund Transfers		
Transfers in (out)		(9,000)
Net Transfers		(9,000)
Change in Net Position		177,646
Net Position - Beginning of Year		4,949,205
Net Position - End of Year	$	5,126,851

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Statement of Cash Flows

PROPRIETARY FUND

September 30, 2016

		Rental Activity
Cash Flows from Operating Activities		
Receipts from customers	$	442,258
Payments to suppliers		(257,281)
Net Cash Provided (Used) by Operating Activities		184,977
Cash Flows from Non-Capital Financing Activities		
Transfers from other funds		(9,000)
Net Cash Provided (Used) by Non-Capital Financing Activities		(9,000)
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets		-
Net Cash Provided (Used) by Capital and Related Financing Activities		-
Net Increase (Decrease) in Cash and Cash Equivalents		175,977
Cash - Beginning of Fiscal Year		222,834
Cash - End of Fiscal Year	$	398,811
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$	186,646
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation		96,776
Increase (decrease) in		
Accounts payable		(98,445)
Security deposits		-
Net Cash Provided (Used) by Operating Activities	$	184,977

The accompanying notes are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES***

Organization

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

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

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

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

Financial Reporting Entity

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Basis of Presentation, Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements

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

The statement of net position presents the financial position of the governmental and business-type 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 and for each identifiable activity of the business-type activities of the Agency. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Agency does not allocate indirect expenses to functions in the statement of activities.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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 uses two categories of funds: governmental and proprietary.

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.

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 *rental fund* is used to account for the costs necessary to operate the Agency's rental property and the charges necessary to offset those costs.

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.

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 Agency 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. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

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

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

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

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

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

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

Capital Assets and Depreciation
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.

Proprietary capital assets are reported in their respective fund. Donated assets are stated at fair value on the date donated. Capital assets 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Capital Assets and Depreciation – continued

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

Depreciation has been computed and recorded in these statements for the rental fund's existing building.

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 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.
Interfund transactions are reported as operating transfers in conformity with generally accepted accounting principles.

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

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

1. *SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued*

Accrued Liabilities and Long-Term Obligations – continued

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:

<u>Nonspendable fund balance</u> - 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.

<u>Restricted fund balance</u> – 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.

<u>Committed fund balance</u> - 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.

<u>Assigned Fund Balance</u> – 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

Operating Revenues and Expenses
Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Agency, those revenues are rental income. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the 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.

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, 2016, there were not any funds with material expenditures that exceeded appropriations.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY-continued

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

3. CASH AND INVESTMENTS

Cash and Cash Equivalents – A reconciliation of cash and cash equivalents at September 30, 2016 is as follows.

Cash in bank	$	755,231
State Investment Pool		3,526,614
Money-market bond funds		3,181,196
Total Cash & Cash Equivalents	$	7,463,041

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

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

4. *TAXES RECEIVABLE AND UNAVAILABLE REVENUE*

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

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

In the governmental fund statements, taxes receivable and unavailable revenue consist of property tax revenue yet to be collected. Amount due from other governments is the property tax revenue estimated to be collected by Twin Falls County after year end and remitted to the Agency through November 2015.

5. CAPITAL ASSETS

A summary of activity in the general fixed for the Agency for the year ended September 30, 2015, was as follows:

	Balance, September 30, 2015	Additions	Deletions	Balance, September 30, 2016
Governmental Activities:				
Construction in Progress	$ 16,687,100	$ 1,728,506	$ (4,819,468)	$ 13,596,138
Land and Buildings	2,621,783	-	-	2,621,783
	$ 19,308,883	$ 1,728,506	$ (4,819,468)	$ 16,217,921
Business Type Activities:				
Land	$ 1,350,000		$ -	$ 1,350,000
Buildings & Improvments	3,856,902	-	-	3,856,902
Equipment	475,000	-	-	475,000
Total	$ 5,681,902	$ -	$ -	$ 5,681,902
Accumulated Depreciation for Business-Type Activities				
Buildings & Improvments	$ 431,901	$ 84,276	$ -	$ 516,177
Equipment	420,833	12,500	-	433,333
Total	$ 852,734	$ 96,776	$ -	$ 949,510

6. 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.

6. LONG-TERM DEBT - Continued

Revenue bonds and notes

Outstanding debt at September 30, 2016 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%.	$13,670,000
Revenue Allocation Refunding Bonds, Series 2015A (Tax Exempt), dated February 5, 2015 and maturing August 1, 2022. The proceeds of the bonds provided funds to refund prior obligations issued, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. The bonds are term bonds that require annual sinking fund deposits on August 1 each year. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at 2.1%	2,275,000
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. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at 4.502%. Repayment of the bonds is guaranteed by Chobani Global Holding, Inc.	29,308,000
Revenue Allocation Bonds, Series 2015C, dated July 23, 2015 and maturing August 1, 2022. The proceeds of the bonds were used and will be used to fund renewal projects along or near the Main Ave. of Twin Falls, downtown. The bonds are term bonds that require semi-annual interest payments on February 1 and August 1. Annual principal payments are due on August 1 each year beginning on August 1, 2018. The bonds interest rates vary; currently the rate is 1.534%.	$ 400,139
Total	$ 45,653,139

6. LONG-TERM DEBT – continued

Expected annual maturities of these obligations are as follows:

Year		Total	Interest	Principal
September 30, 2017		$ 4,523,379	$ 2,244,379	$ 2,279,000
September 30, 2018		4,329,090	2,035,951	2,293,139
September 30, 2019		4,260,730	1,946,730	2,314,000
September 30, 2020		4,229,995	1,839,995	2,390,000
September 30, 2021		4,189,167	1,730,167	2,459,000
2022-2026		19,658,931	6,902,931	12,756,000
2027-2031		18,306,473	3,750,473	14,556,000
2032-2036		7,371,798	765,798	6,606,000
	Total	$ 66,869,563	$ 21,216,424	$ 45,653,139

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. At September 30, 2016, the Agency was indebted in the amount of $7,043,659. 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. At September 30, 2016, the Agency was indebted in the amount of $9,417,363.

6. LONG-TERM DEBT – continued

Changes in Long-Term Debt

During the year ended September 30, 2016, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2015	Additions	Repayments	Balances, September 30, 2016
Revenue Allocation Bonds, Series 2013A	30,488,000	-	1,180,000	29,308,000
Revenue Allocation Bonds, Series 2015A-Tax Exempt	3,280,000	-	1,005,000	2,275,000
Revenue Allocation Bonds, Series 2015C-Taxable	400,139	-	-	400,139
Revenue Allocation Bonds, Series 2016	-	13,670,000	-	13,670,000
Total Revenue Bonds	34,168,139	13,670,000	2,185,000	45,653,139
Chobani Idaho, LLC-Projects Improvements Reimbursement Agreement	-	13,712,535	6,668,876	7,043,659
Clif Bar-Development Agreement	14,116,454	7,263,667	11,962,758	9,417,363
Total Agreements	14,116,454	20,976,202	18,631,634	16,461,022
Total	$ 48,284,593	$ 34,646,202	$ 20,816,634	$ 62,114,161

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.

7. *OPERATING LEASE EXPENSE*

The Agency leases a parking lot for use by employees of its tenant, C3. The initial term of this lease is fifteen years from January 2003. The lease requires annual rent of $68,000 due on January 1 each year through 2012, increasing to $72,000 on January 1, 2013. If the lease is renewed for an additional five-year term the rent increases to $124,630 on January 1, 2018. The lease agreement includes annual options to purchase beginning in December 2007. The option amount is $1,133,000 until 2012, increasing to $1,246,300 in 2013, and to $1,370,930 if not exercised until after 2017.

The future minimum lease payments on this lease, through 2021, are as follows:

September 30, 2017		72,000
September 30, 2018		124,630
September 30, 2019		124,630
September 30, 2020		124,630
September 30, 2021		124,630
Total	$	570,520

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 $229,000 for the year.

9. *COMMITMENTS AND SUBSEQUENT EVENTS*

The Agency has evaluated subsequent events through January 19, 2017, the date which the financial statements were available to be issued. During that period the Agency made commitments for the services of a construction manager, general contractor, and owner’s representative relating to its Main Ave. project. Construction activity on the project will begin in the spring of 2017. The project is currently estimated to cost between six million and six and a half million dollars.

10. *BOND COVENANT COMPLIANCE*

The Agency is subject to various covenants as a result of the various bonds issued by the Agency. During the year ended September 30, 2015, the Agency is in compliance with these covenants.

REQUIRED SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

General Fund

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

For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 85,000	$ 85,000	$ -	$ (85,000)
Investment Income	8,500	8,500	15,995	7,495
Total Revenues	93,500	93,500	15,995	(77,505)
Expenditures				
Current				
General government	342,950	342,950	231,690	111,260
Area development and improvements	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	342,950	342,950	231,690	111,260
Excess (Deficiency) of Revenues Over (Under) Expenditures	(249,450)	(249,450)	(215,695)	33,755
Other Financing Sources (Uses)				
Transfers in (out)	249,450	249,450	215,697	(33,753)
Total Other Financing Sources (Uses)	249,450	249,450	215,697	(33,753)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ -	$ -	2	$ 2
Fund Balance - Beginning of Year			(2)	
Fund Balance - End of Year			$ -	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 4,916,000	$ 4,916,000	$ 6,192,128	$ 1,276,128
Investment income	-	-	2,082	2,082
Total Revenues	4,916,000	4,916,000	6,194,210	1,278,210
Expenditures				
Current				
General government and administration	-	-	56	(56)
Area development and improvements	31,097,470	31,097,470	24,261,992	6,835,478
Real estate expense	7,200	7,200	5,906	1,294
Debt service				
Principal	12,967,759	12,967,759	19,636,635	(6,668,876)
Interest and other charges	1,299,463	1,299,463	1,258,394	41,069
Total Expenditures	45,371,892	45,371,892	45,162,983	208,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,455,892)	(40,455,892)	(38,968,773)	1,487,119
Other Financing Sources (Uses)				
Cash carryover	-	-	-	-
Contributions	-	-	-	-
Construction advances	15,000,000	15,000,000	20,976,202	5,976,202
Issuance of debt	(2,500,000)	(2,500,000)	-	2,500,000
Bond loan fees	-	-	-	-
Transfers in (out)	12,902,892	12,902,892	12,936,645	33,753
Proceeds From the Sale of Assets	-	-	-	-
Total Other Financing Sources (Uses)	25,402,892	25,402,892	33,912,847	8,509,955
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (15,053,000)	$ (15,053,000)	(5,055,926)	$ 9,997,074
Fund Balance - Beginning of Year			8,380,458	
Fund Balance - End of Year			$ 3,324,532	

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, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 2,555,290	$ 2,555,290	$ 2,538,366	$ (16,924)
Investment income	280	280	2,732	2,452
Total Revenues	2,555,570	2,555,570	2,541,098	(14,472)
Expenditures				
Debt service				
Principal	1,180,000	1,180,000	1,180,000	-
Interest and other charges	1,375,570	1,375,570	1,372,570	3,000
Bond issuance costs	-	-	39,500	(39,500)
Total Expenditures	2,555,570	2,555,570	2,592,070	(36,500)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(50,972)	(50,972)
Other Financing Sources (Uses)				
Issuance of Debt	-	-	13,670,000	13,670,000
Transfers in (out)	-	-	(13,143,342)	(13,143,342)
Total Other Financing Sources (Uses)	-	-	526,658	526,658
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	475,686	475,686
Fund Balance - Beginning of Year			2,705,411	
Fund Balance - End of Year			$ 3,181,097	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Proprietary Fund

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

For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Rental income	$ 433,726	$ 433,726	$ 442,258	$ 8,532
Total Revenues	433,726	433,726	442,258	8,532
Expenditures				
Current				
Depreciation	-	-	96,776	(96,776)
Insurance	-	-	-	-
Property taxes	37,000	37,000	36,631	369
Real estate lease	72,000	72,000	72,000	-
Real estate expense	133,400	133,400	45,705	87,695
Total Expenditures	242,400	242,400	255,612	(13,212)
Excess (Deficiency) of Revenues Over (Under) Expenditures	191,326	191,326	186,646	(4,680)
Other Financing Sources (Uses)				
Transfers in (out)	(9,000)	(9,000)	(9,000)	-
Total Other Financing Sources (Uses)	(9,000)	(9,000)	(9,000)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 182,326	$ 182,326	177,646	$ (4,680)
Fund Balance - Beginning of Year			4,949,205	
Fund Balance - End of Year			$ 5,126,851	

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, 2016

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Funds
Assets				
Cash	$ 3,889,663	$ (11,104)	$ (7,500)	$ 3,871,059
Restricted cash	-	-	-	-
Property tax receivable	120,032	-	-	120,032
Prepaid deposits	-	-	-	-
Due from other governments	12,162	-	-	12,162
Due from other funds	-	-	-	-
Total Assets	$ 4,021,857	$ (11,104)	$ (7,500)	$ 4,003,253
Liabilities				
Accounts payable	$ 136,355	$ -	$ 422,334	$ 558,689
Total Liabilities	136,355	-	422,334	558,689
Deferred Inflows of Resources				
Unavailable revenue-property taxes	120,032	-	-	120,032
Fund Balances				
Restricted fund balance:	-	-	-	-
Unrestricted fund balance:				
Committed fund balance	3,765,470	-		3,765,470
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	(11,104)	(429,834)	(440,938)
Total Fund Balances	3,765,470	(11,104)	(429,834)	3,324,532
Total Liabilities and Fund Balances	$ 4,021,857	$ (11,104)	$ (7,500)	$ 4,003,253

The accompanying notes are an integral part of the financial statements

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, 2016

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Fund
Revenues				
Property taxes	$ 2,292,497	$ 3,899,631	$ -	$ 6,192,128
Investment income	-	2,082	-	2,082
Total Revenues	2,292,497	3,901,713	-	6,194,210
Expenditures				
Current				
General government and administration	56	-	-	56
Area development and improvements	2,223,634	14,345,147	7,693,211	24,261,992
Real estate expense	5,906	-	-	5,906
Debt service				-
Principal	1,005,000	6,668,876	11,962,759	19,636,635
Interest and other charges	74,811	3,000	1,180,583	1,258,394
Total Expenditures	3,309,407	21,017,023	20,836,553	45,162,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,016,910)	(17,115,310)	(20,836,553)	(38,968,773)
Other Financing Sources (Uses)				
Construction advances	-	13,712,535	7,263,667	20,976,202
Issuance of debt	-	-	-	-
Bond loan fees	-	-	-	-
Transfers in (out)	(186,941)	(76,233)	13,199,819	12,936,645
Total Other Financing Sources (Uses)	(186,941)	13,636,302	20,463,486	33,912,847
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,203,851)	(3,479,008)	(373,067)	(5,055,926)
Fund Balance - Beginning of Year	4,969,321	3,467,904	(56,767)	8,380,458
Fund Balance - End of Year	$ 3,765,470	$ (11,104)	$ (429,834)	$ 3,324,532

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY

OF THE CITY OF TWIN FALLS, IDAHO

Combined Fund Balance Sheet

DEBT SERVICE FUNDS

September 30, 2016

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Funds
Assets				
Cash	$ -	$ -	$ 57,009	$ 57,009
Restricted cash	-	2,693,747	430,341	3,124,088
Total Assets	$ -	$ 2,693,747	$ 487,350	$ 3,181,097
Liabilities	$ -	$ -	$ -	$ -
Fund Balances				
Restricted fund balance:	-	2,693,747	430,341	3,124,088
Unrestricted fund balance:				-
Committed fund balance	-	-	57,009	57,009
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	-	-	-
Total Fund Balances	-	2,693,747	487,350	3,181,097
Total Liabilities and Fund Balances	$ -	$ 2,693,747	$ 487,350	$ 3,181,097

The accompanying notes are an integral part of the financial statements

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, 2016

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues				
Property taxes	$ -	$ 2,538,366	$ -	$ 2,538,366
Investment income	-	2,540	192	2,732
Total Revenues	-	2,540,906	192	2,541,098
Expenditures				
Current				
Debt service				
Principal	-	1,180,000	-	1,180,000
Interest and other charges	-	1,372,570	-	1,372,570
Bond issuance costs	-	-	39,500	39,500
Total Expenditures	-	2,552,570	39,500	2,592,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(11,664)	(39,308)	(50,972)
Other Financing Sources (Uses)				
Transfers in (out)	-	-	(13,143,342)	(13,143,342)
Bond issuance	-	-	13,670,000	13,670,000
Total Other Financing Sources (Uses)	-	-	526,658	526,658
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(11,664)	487,350	475,686
Fund Balance - Beginning of Year	-	2,705,411	-	2,705,411
Fund Balance - End of Year	$ -	$ 2,693,747	$ 487,350	$ 3,181,097

The accompanying notes are an integral part of the financial statements

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, the business-type activities, the aggregate discretely presented component units, 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, 2016, 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 19, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, PLLC
TWIN FALLS, IDAHO
January 19, 2017

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: February 13, 2017

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray, Executive Director

Request:

Provide an opportunity for public comment and consider approving the 2016 Annual Report of the Urban Renewal Agency of Twin Falls, Idaho.

Background:

Title 50, Chapter 2006(c) requires that Urban Renewal Agencies operating in Idaho prepare an annual report by March 31st of each year regarding its activities and finances for the preceding calendar year. Once approved by the Board of Commissioners, it will be transmitted to the City Council for their information.

Approval Process:

The Board of Commissioners must consider the Annual Report in a public meeting and provide opportunity for public comment. Once the public comment opportunity has been provided, the Board should consider the attached resolution which transmits to Annual Report to the City Council.

Once forwarded to the City Council, a legal notice must be published in the Times - News to the effect that the required report has been filed with the City of Twin Falls and that it is available for inspection at the office of the City Clerk.

Budget Impact:

There will be a small amount of cost for in-house printing of the report and postage to distribute it to those to whom we seek to communicate. Additionally, there will be a cost for the legal publication of the required notice.

Conclusion:

Completion of this process will have the Agency in compliance with the statutory requirement for reporting.

Attachments:

2016 Annual Report of the Urban Renewal Agency of Twin Falls, Idaho

Resolution #2017-01 accepting the Annual Report, forwarding it to the City of Twin Falls, and publishing the Notice of Filing.

The Urban Renewal Agency of the City of Twin Falls

2016 Annual Report

Board of Commissioners

Dan Brizee - Chair
Dexter Bell – Vice Chair
Neil Christensen - Secretary
Perri Gardner
Gary Garnand
Bob Richards
Brad Wills

Staff

Nathan Murray- Executive Director
Lorrie Bauer- Administrative
Phil Kushlan –Interim Executive Director (Feb-Sept) and Transition Support (contract)

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

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

Agency Activities for 2016

Clif Bar

On August 30, 2016, Clif Bar & Company celebrated the opening of its $90 million bakery, a one-of-a-kind sustainability-focused facility. Key components to the project include the following:

- 300,000 square-foot original biophilic design;
- 200 windows, vaulted skylights and light-directed solatubes;
- Interior walls of recycled barnwood, natural stone, and an indoor/outdoor events auditorium;
- Outdoor patios and break areas with 570 trees, 5700 shrubs, bike/footpath and organic community garden;
- 20% less energy use than conventional bakery with 100% generated from renewable energy credits.

Agency activities in support of the Clif Bar project during 2016 included:

- Western Financial Group (WFG) hired to act as the Municipal Advisor to the Twin Falls Urban Renewal Agency on a Private Loan between Clif Bar and the Agency to complete the remaining public infrastructure projects;
- Construction management and direct work costs for landscaping, irrigation, asphalt, curb and gutter, storm water, private utilities, sanitary sewer and sidewalk;
- The bonds authorized by the Board for the Clif Bar Project were successfully closed on July 1, 2016.

Main Avenue

Main Avenue was the subject of significant financial investment and time by the URA Board and Staff during this past year. Working closely with designers, contractors, engineers and downtown stakeholders, final plans for the Main Avenue redesign are complete and have gone out to bid. The URA hired CH2M to function as the owner's representative and maintain cost compliance and schedules. Guho Construction of Boise was hired as the Construction Manager/General Contractor to build the project.

The Main Avenue Renaissance project is based upon the desire to establish a pedestrian – friendly area with high standards for amenities that will encourage people to come to the downtown area for shopping, commerce and socialization. TFURA has worked closely with property and business owners and through various committees in creating an exciting design that balances various interests in the area. The Downtown Arts Subcommittee, previously established by the TFURA Board, has advised on various aesthetic aspects of the Main Avenue Project to enhance the sense of place for Twin Falls.

So far, the project is on schedule and under budget. Construction is set to begin spring 2017 with completion in the fall.

City Hall Project Coordination

In 2015, it was announced that Twin Falls City would repurpose the old Banner Furniture Building located at 201 Main Ave East as the site of its new City Hall. Construction of City Hall began in fall 2016. Mutually dependent aspects of the Main Avenue and City Hall projects are being closely coordinated to ensure the most efficient and effective use of public resources. Examples of cooperation between the City and URA in 2016 include the following:

- Removal of the URA owned Rogerson Hotel at the corner of Main Ave and Hansen St by the City Hall Contractor, Starr Corp, for creation of a new commons plaza for gathering and festival activities;

- Main Avenue designer Otak Architecture and Engineering preparing design and bid documents for construction by Starr Corp;
- Shared staging and coordinated scheduling for the planned construction along Hansen Street.

<u>135 5th Ave So. (GemStone Climbing Center)</u>

Sale of this TFURA owned property, located in the Old Town area, was finalized in September, 2016. The 12,500 sf lot will be developed in conformance with a previously issued RFP response and be occupied by GemStone Climbing Center. Per an agreement, the TFURA is making the following improvements to the lot; 1) pave the unfinished section of the alley adjacent to the site, 2) construct sidewalk, curb and gutter adjacent to the site along Shoshone Street and along 5th Ave S, and 3) stripe parking spaces on both sides of 5th Avenue South between Shoshone and Hansen Streets to create up to 42 spaces.

This project will provide needed private investment in this area, but more importantly it will provide a venue drawing people to the area for recreational purposes thus enhancing the vitality of the entire area. Construction of the facility underway and anticipated to be complete in fall, 2017.

2nd Avenue Parking Lot (former Goold Mechanical)

In September, 2016, the TFURA acquired three lots at 229-241 2nd Ave North to improve parking in the area and assist Main Avenue construction operations for the downtown community. The agency obtained a special-use permit for the parking and spent an additional $28,000 on top of land acquisition to grade, pave and add electrical capability to the lot.

Downtown Housing

The interest in providing housing in downtown Twin Falls continues. Various concepts have been discussed but all represent housing types and densities not previously experienced in Twin Falls. The proximity to the Main Avenue and City Hall project focuses interest in downtown. This suggests that the benefits of Agency investment in this project go far beyond the confines of the project itself. We look forward to continued dialogue with interested parties and facilitating their consideration in any manner within our authority.

Financial Statements

Table 1
Statement of Net Position
As of September 30, 2015 and 2016

	2015	2016	Percentage Change 2015-2016
Current & Other Assets	$18,748,589	$7,613,235	-59.39%
Capital Assets	24,138,051	20,950,313	-13.21%
Total Assets	**42,886,640**	**28,563,548**	**-33.40%**
Long-term Debt Outstanding	34,168,139	45,653,139	33.61%
Other Liabilities	22,634,581	18,119,705	-19.95%
Total Liabilities	**56,802,720**	**63,772,844**	**12.27%**
Net Investment in Capital Assets	10,021,597	11,532,950	15.08%
Restricted and Unrestricted	23,937,677	(46,742,246)	95.27%
Total Net Position	**$13,916,080**	**$(35,209,296)**	**153.01%**

Statement of Net Position
The Statement of Net Position reports on the assets and liabilities of the Agency. Notable changes in Net Position value are typically the result of large debt service payments; the timing of large public improvement projects; or the purchase, sale, or contribution of capital assets. This year most of the dynamic changes seen can be attributed to Agency Support toward construction of the new Clif Bar Bakery Facility. The Agency's share of the Clif Bar construction is being funded with advances provided by Clif Bar. This year that total increased $7,300,000. During the year $13,670,000 of cumulative Clif Bar advances were converted to a long-term bond. Payments on that bond and the repayment of the remaining advance balance will be made out of future property tax payments made by Clif Bar to the Agency.

The Agency is also beginning the initial phases of construction on a project of improvement and rehabilitation around the downtown area of Twin Falls. Funding of for those improvements will be provided from future property tax revenues of the revenue allocation area; a new $5,000,000 bond provided by Washington Federal; and an additional funding committed from First Federal Bank.

The Agency inventories project costs and then reflects the contribution of those project costs as an investment in the community's development the year completed. Joint projects that are completed on another’s property, which the Agency does not take title to are expensed when incurred.

Table 2
Statement of Activities
For Years Ended September 30, 2015 and 2016

	2015	2016	Percentage Change 2015-2016
Charges for Services - Rent	$435,162	$442,258	1.63%
Property Tax Increment	8,357,193	8,719,955	4.34%
Investment Earnings	12,246	20,808	69.92%
Total Revenue	**8,804,601**	**9,183,021**	**4.30%**
General Government	250,814	231,690	-7.62%
Rental Property Expenses	302,568	255,612	-15.52%
Community Development	2,770,820	27,358,915	887.39%
Interest on Long-Term Debt	1,966,631	2,630,021	33.73%
Total Expenses	**5,290,833**	**30,476,238**	**476.02%**
Increase (Decrease) in Net Assets	3,513,768	(21,293,217)	-705.99%
Net Position - Beginning	(17,429,848)	(13,916,079)	-20.16%
Net Position - Ending	**$(13,916,080)**	**$(35,209,296)**	**153.01%**

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

Revenues
Property taxes for the current year only increased by a modest 4.3%. Property tax revenues going forward will reflect the enhanced value of the Clif Bar production facility becomes full assessed.

Expenses
In 2016 the Agency continued to be highly involved assisting with the infrastructure needs of another manufacturing facility relocating to Twin Falls, Clif Bar. Much of that activity is being inventoried.

RESOLUTION NO. 2017-01

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, AUTHORIZING THE FILING OF ITS ANNUAL REPORT OF ACTIVITIES WITH THE CITY OF TWIN FALLS.

WHEREAS, Idaho Code 50-2006(c) requires every urban renewal agency exercising powers under the Urban Renewal Law to file with the local governing body a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such calendar year; and,

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

WHEREAS, Idaho Code 50-2006(c) requires every urban renewal agency, at the time of filing the report, to publish in a newspaper of general circulation in the community a notice that the report has been filed with the municipality and that the report is available for inspection during business hours in the office of the agency.

NOW, THEREFORE, BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO:

Section 1: That the 2016 Annual Report of the Urban Renewal Agency of the City of Twin Falls shall be filed with the City of Twin Falls.

Section 2: That the following "Notice of Filing the Annual Report of the Urban Renewal Agency of the City of Twin Falls" shall be published in the Times News:

"Notice of Filing of the 2016 Annual Report
Of the Urban Renewal Agency of the City of Twin Falls, Idaho

The Urban Renewal Agency of the City of Twin Falls, Idaho, has filed its 2016 Annual Report with the City of Twin Falls. The Report is available for inspection during business hours in the office of the Urban Renewal Agency, in City Hall, at 103 Main Avenue East, Twin Falls, Idaho."

PASSED BY THE URBAN RENEWAL AGENCY February 13, 2017.
SIGNED BY THE CHAIRMAN February 13, 2017.

____
Chairman

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Date: February 13, 2017

To: Board of Commissioners

From: Nathan Murray, Executive Director

Request:
Consideration of requests to approve a Master Licensing Agreement for right-of-way work, and an agreement for 'Vault Removal' at 144 and 148 Main Avenue East, related to the Main Avenue Reconstruction Project (see attached) by Nathan Murray and Meghan Conrad.

Background: The Board of Commissioners of the Twin Falls Urban Renewal Agency (the 'URA') has authorized resources to reconstruct a portion of Main Avenue in Downtown Twin Falls between Fairfield and Jerome Streets. The installation of new infrastructure is within right-of-way owned by the City of Twin Falls (the 'City'). An agreement is needed between the City and the URA to authorize work to be executed within the right-of-way (see Attachment 1).

Robert L. Crowley is the owner of property in the City of Twin Falls at 144 & 148 Main Avenue East. A portion of the building owned by Mr. Crowley extends underneath the right-of-way where the URA will be executing reconstruction of a portion of Main Avenue. This building portion will be removed as part of the reconstruction project. An agreement is needed between Mr. Crowley and the URA to allow access to his building during construction and to eliminate the previously used portion of the building (see Attachment 2).

The URA Staff Attorney's at Elam & Burke will continue to work through final details of the attached agreements. Resolutions have been provided to authorize the Board Chair to enter into these agreements (see Attachments 3 & 4).

Approval Process: Approval by a majority of the Board would authorize the URA Chair to sign the two agreements.

Budget Impact: Cost associated with the right-of-way improvements and basement infill are part of the overall budget for the Main Ave Redevelopment project and will be included as line items in the Guaranteed Maximum Price at the next URA Board Meeting.

Conclusion: Staff recommends the Board approve the Agreements as presented, with the condition that the Twin Falls City Attorney provide a final review of the Master License Agreement. The Board Chair is then authorized to execute the documents.

Attachments:
1- Master License Agreement
2- Vault Elimination Agreement
3- Resolution 2017-02
4- Resolution 2017-03

MASTER LICENSE AGREEMENT
FOR INSTALLATION AND MAINTENANCE OF INFRASTRUCTURE WITHIN THE PUBLIC RIGHT-OF-WAY

THIS MASTER LICENSE AGREEMENT FOR INSTALLATION AND MAINTENANCE OF INFRASTRUCTURE WITHIN THE PUBLIC RIGHT-OF-WAY ("**Agreement**") is entered into this _____ day of ___________________, 2017 ("**Effective Date**"), by and between the CITY OF TWIN FALLS, an Idaho municipal corporation ("**City**") and the TWIN FALLS URBAN RENEWAL AGENCY, an independent public body corporate and politic of the State of Idaho ("**Agency**").

RECITALS

A. City is a municipal corporation with the jurisdiction over certain public rights-of-way, including sidewalks, in downtown Twin Falls, Idaho.

B. Agency is an urban renewal agency organized and existing under the laws of the State of Idaho, with power to undertake and carry out urban renewal projects and related activities within its area of operation.

C. Idaho Code § 50-2015 provides, in part, that for the purpose of aiding in the planning, undertaking or carrying out of urban renewal projects and related activities any public body may grant licenses and other rights to an urban renewal agency with or without consideration.

D. The parties desire by this Agreement that the City will grant to the Agency a limited, non-exclusive license to install, replace and/or upgrade deteriorating infrastructure, including but not limited to underground utility lines, streets and sidewalks, landscaping and vault remediation within the area of the City's jurisdiction over certain public rights-of-way depicted on Exhibit A and related to the Main Avenue Area Redesign Project, which generally includes streetscape improvements for the five blocks of Main Avenue from Fairfield to Jerome and on Hansen Street between the 2nd Avenues, and sidewalk improvements outside of, but adjacent to this area (collectively, the "**Main Avenue Area**"), for the purpose of ensuring the safety of patrons and visitors to downtown Twin Falls and to improve upon the aesthetics therein, and to set forth the purposes, powers, rights, objectives and responsibilities of each party.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are made a part of this Agreement and not mere recitals, and for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually agreed as follows:

1. License Grant. City hereby grants a license to Agency ("**License**") to install, replace and/or upgrade deteriorating infrastructure, including but not limited to underground utility lines, streets and sidewalks, landscaping and vault remediation within the public rights-of-way in the Main Avenue Area depicted on Exhibit A. Agency shall have no right, title or interest in or to the public rights-of-way other than the right to use the same pursuant to the terms and conditions of this Agreement and pursuant to the authority granted in the Idaho Code. This Agreement does not extend to Agency the right to use the public rights-of-way to the exclusion of the City for any use within its jurisdiction, authority and discretion or of others to the extent authorized by law to use the public rights-of-way. The Agency's authorized use is subject to the rights of the public to use the rights-of-way for pedestrian and vehicular purposes. The Agency's authorized use is also subject to the rights of holders of easements of record or obvious physical limitations upon inspection of the public rights-of-way, and to the statutory rights of utilities to use the public rights-of-way. This Agreement is not intended to, and shall not preclude or impede (i) the ability of City to enter into other similar agreements in the future allowing other third parties to also use the public rights-of-way, provided that written notice is provided to Agency and that such use does not unreasonably interfere with Agency's rights set forth in this Agreement and contained in Idaho Code, or (ii) the ability of City to redesign, reconstruct, relocate, maintain and improve the public rights-of-way as authorized by and in accordance with state law. Where City's retained rights, as stated herein, affect Agency's authorized placement of infrastructure improvements within the public rights-of-way, Agency will work in good faith to resolve any conflicts.

a. Agency agrees to freely and promptly exchange information reasonably necessary to comply with the terms of this Agreement.

b. Agency shall consult with representatives of City to determine any traffic operations, motorist and pedestrian safety issues associated with the installation or maintenance of any infrastructure improvements.

c. Under no circumstances may infrastructure improvements interfere with or obstruct City traffic operations, motorist or pedestrian safety, street improvement activities, construction activities, cleaning efforts or other similar activities subject to standard construction-related temporary closures or relocations to aid in the installation of improvements related to the Main Avenue Area.

d. All infrastructure improvements shall be designed, constructed and maintained in accordance with generally accepted engineering practices and the prevailing standard of care in the industry.

2. Compliance with Laws; No Waste or Nuisance. Agency, in the performance of its rights and responsibilities under this Agreement, shall (i) comply with all applicable federal, state and local laws, ordinances, rules and regulations, including City policies and ordinances and the Americans with Disabilities Act ("**ADA**"), as amended from time to time (collectively, "**Laws**"); and (ii) commit no waste or allow any nuisance on the public rights-of-way in the Main Avenue Area.

3. Maintenance and Repair. Agency shall be responsible for and shall control the placement, removal, operation, maintenance and repair of all infrastructure improvements which it causes to be placed in the Main Avenue Area, except to the extent any repairs are necessitated by damage caused by City, its agents, contractors or employees, which repairs shall be the responsibility of the City. Agency agrees to keep or require the operation, maintenance and repair of the infrastructure improvements in good repair and in compliance with all Laws. If, in City's discretion, the Agency fails to comply with its obligation herein such that certain infrastructure improvements pose a danger to the public or a Law is not being complied with, the same may be removed or repaired by the City at any time and may be replaced without notice to Agency and without liability for any damage to the infrastructure improvements when so removed or repaired. Agency shall reimburse City for all actual costs associated with the removal or repair of such infrastructure improvements and the installation of any replacement. Removal or repair of infrastructure improvements not posing a safety hazard shall require reasonable notice to Agency prior to action to repair or remove on behalf of City.

Without limiting Agency's obligation to comply with the foregoing and to reimburse City for certain costs associated with the removal or repair of such infrastructure improvements, nothing contained herein shall be construed to substitute Agency in the place of City or property owners for the construction, replacement or reconstruction of sidewalks as may be provided in the Laws. The intent of this Agreement is to provide a license to Agency authorizing it to install and control the placement, removal, operation and maintenance of infrastructure improvements as noted herein upon the public rights-of-way located in the Main Avenue Area. Agency must coordinate any work in the public rights-of-way with the City.

City and Agency acknowledge that upon completion of the infrastructure improvements and expiration of any applicable construction warranty, such improvements shall be under the jurisdiction of the City; which shall then be responsible for long term maintenance and repair of the infrastructure improvements or as may be the responsibility of the adjacent property owners as required by the Laws.

4. Indemnification. Agency will defend, indemnify and hold harmless City and, as applicable, City's council members, directors, commissioners, managers, employees, contractors, agents and representatives (collectively, "**Related Parties**") from and against any and all claims or actions for loss, injury, death, costs, damages, mechanics and other liens, liabilities, losses, costs or damages (collectively, "**Losses**"), including attorneys' fees, incurred by City or its Related Parties resulting from (i) the failure or neglect of Agency, its agents, contractors, employees and sublicensees (collectively or individually, "**Agency Party**") to properly maintain and/or regulate the infrastructure improvements located in the Main Avenue Area; (ii) damage to any sidewalk within any right-of-way in the Main Avenue Area caused by an Agency Party; and (iii) an Agency Party's non-compliance with any Laws.

City will defend, indemnify and hold harmless Agency and, as applicable, Agency's directors, commissioners, managers, employees, contractors, agents and representatives (collectively, "**Related Parties**") from and against any and all claims or actions for loss, injury, death, costs, damages, mechanics and other liens, liabilities, losses, costs or damages (collectively, "**Losses**"), including attorneys' fees, incurred by Agency or its Related Parties resulting from (i) the failure or neglect of City, its agents, contractors, employees and sublicensees (collectively or individually, "**City Party**") to properly maintain and/or regulate the City infrastructure improvements located in the Main

Avenue Area; (ii) damage to any sidewalk within any right-of-way in the Main Avenue Area caused by a City Party; and (iii) a City Party's non-compliance with any Laws.

5. Liability Insurance. Agency shall carry general liability insurance covering personal injuries or property damage occurring on property within the rights-of-way in the Main Avenue Area where Agency has installed infrastructure improvements in a sum equal to the statutory limit set forth in Idaho Code § 6-926 (currently $500,000), as may be adjusted by the Idaho legislature from time to time. Agency agrees to provide notice to City of such coverage(s), with City as an additional insured, on an annual basis.

6. Future Changes. If, in the future, Agency desires to alter the physical layout of or allow the addition of other infrastructure improvements within the public rights-of-way which constitute the Main Avenue Area ("**Future Changes**"), all such Future Changes shall comply with the Laws. If City determines that a public roadway on and/or adjacent to the public rights-of-way in the Main Avenue Area requires widening, realignment, redesign, improvement and/or reconstruction as would necessitate the relocation, modification or other adaptation of any infrastructure improvements, Agency, at its sole cost and expense, shall be responsible for relocating, modifying or otherwise adapting the affected infrastructure improvements to such widening, realignment, relocation and/or reconstruction as required by City and in compliance with the Laws. City shall give Agency at least ninety (90) days' prior written notice of the need for any such relocation, modification or adaptation by Agency. In response to such notice, Agency may also elect to remove affected infrastructure improvements in lieu of any such relocation, modification or adaptation.

7. Licensing Fee. Throughout the term of this Agreement, Agency shall not be obligated to pay City a fee for the authorization to use the public rights-of-way as set forth herein.

8. Term of Agreement. The initial term of this Agreement commences on the Effective Date and shall continue in effect for a period of two years ("**Initial Term**"). The Initial Term automatically will be extended for successive one-year periods (each a "**Renewal Term**") unless either party notifies the other at least thirty (30) days before the expiration of the Initial Term or any Renewal Term, as the case may be, that it does not wish to extend the Agreement. The Initial Term and any Renewal Terms are collectively referred to as the "**Term**." Notwithstanding the foregoing, this Agreement may be terminated (i) by either party upon thirty (30) days' written notice or (ii) by City upon five (5) days' notice to Agency if, in City's discretion, Agency has failed to allocate sufficient resources and/or funds to ensure the infrastructure improvements are properly maintained or to timely repair the infrastructure improvements representing a hazard to motorist or pedestrian safety, subject to the understanding set forth in Section 3 of this Agreement.

Upon termination of this Agreement, City may elect to remove any and all infrastructure improvements and to replace the same at the sole cost and expense of the City.

9. Waiver and Estoppel. Agency acknowledges and agrees that the authorized use granted herein is temporary, non-transferable (subject to Section 13.3) and merely a permissive use of the public rights-of-way pursuant to this Agreement. Agency further acknowledges and agrees that it specifically assumes the risk that the right that is granted pursuant to this Agreement may be terminated as provided herein before Agency has realized the economic benefit of the cost of installing, constructing, repairing or maintaining the infrastructure improvements, and Agency hereby waives and is estopped from asserting any claim that this Agreement is in any way irrevocable because Agency has expended funds on the infrastructure improvements and this Agreement has not been in effect for a period sufficient for Agency to realize the economic benefit from such expenditures. Any and all costs and expenses associated with Agency's use of the public rights-of-way, or the repair, maintenance and removal of the infrastructure improvements, shall be at the sole cost and expense of Agency.

10. Default. Neither party shall be deemed to be in default of this Agreement except upon the expiration of thirty (30) days from receipt of written notice from the other party specifying the particulars in which such party has failed to perform its obligations (or breached any of its representations or warranties) under this Agreement unless such party, prior to expiration of said thirty (30) day period has rectified the particulars specified in said notice of default; provided, however, that if the nature of the alleged default is such that it cannot reasonably be cured within such thirty (30) days period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

11. Force Majeure. Performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, walkouts, riots, flood, earthquakes, fire or other casualty, the elements or acts of God or other causes, other than financial, beyond a party's reasonable control.

12. Third Party Construction. If, as a result of any construction, improvement, repair or maintenance by or caused by a third party (such as, by way of example and not limitation, third party new construction or third party relocation of sewer or utility lines), it is determined by City that relocation, modification or other adaptation of any of the infrastructure improvements will be required, City shall require that the third party, at such third party's sole cost and expense, be responsible for such relocation, modification or other adaptation, as City deems to be appropriate under the circumstances.

13. Miscellaneous

13.1 <u>Authority</u>. The parties hereby warrant that the person executing this Agreement on behalf of each party is, at the time of its execution, duly authorized to do so by its governing body and is fully vested with the authority to bind that party in all respects.

13.2 Severability. If any provision of this Agreement is held invalid, illegal or unenforceable, the remainder shall be construed to conform to the intent of the parties, and shall survive the severed provisions.

13.3 Assignment. Either party shall be entitled to assign this Agreement to an entity which is either statutorily authorized to be its successor or is an entity controlled by the assigning party, provided that such assignee assumes all the obligations, warranties, covenants and agreements of the assigning party herein contained. Otherwise, neither party shall be entitled to sell, assign or otherwise transfer this Agreement or any of its rights hereunder without the prior written consent of the other party, which consent will not be granted unless such assignee or transferee assumes all the obligations, warranties, covenants and agreements of the assigning party herein contained.

13.4 Further Assurances. Each party shall cooperate fully with the other and execute such further instruments, documents and agreements and give such further written assurances as may be reasonably requested by the other to better evidence and reflect the transactions described herein and contemplated hereby, and to carry into effect the intents and purposes of this Agreement.

13.5 Captions and Headings. The captions and headings in this Agreement are solely for reference purposes, and shall not affect the interpretation of any provision of this Agreement.

13.6 Third Parties. This Agreement is not intended to create, nor shall it in any way be interpreted or construed to create, any third party beneficiary rights in any person not a party hereto.

13.7 Successors and Assigns. The terms and conditions hereof shall be binding upon and inure to the benefit of the respective parties, their administrators, executors, successors and assigns.

13.8 Attorney Fees. Should either party find it necessary to retain legal counsel to enforce any of the terms and/or conditions of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and reasonable costs as ordered by the court.

13.9 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Idaho.

13.10 Exhibits. All exhibits to this Agreement are incorporated by reference and made a part of this Agreement as if the exhibits were set forth in their entirety in this Agreement.

13.11 Entire Agreement. This Agreement and the exhibits hereto constitute the full and entire understanding and agreement between the parties with regard to the transaction contemplated herein, and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein.

13.12 Acknowledgments and Modifications. No acknowledgments required hereunder, and no modification or waiver of any provision of this Agreement or consent to departure therefrom, shall be effective unless in writing and signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

AGENCY:

TWIN FALLS URBAN RENEWAL AGENCY

____
Dan Brizee
Chair, Board of Commissioners

ATTEST:

____
By: __________________________
Its: __________________________

CITY:

____
By: __________________________
Its: __________________________

ATTEST:

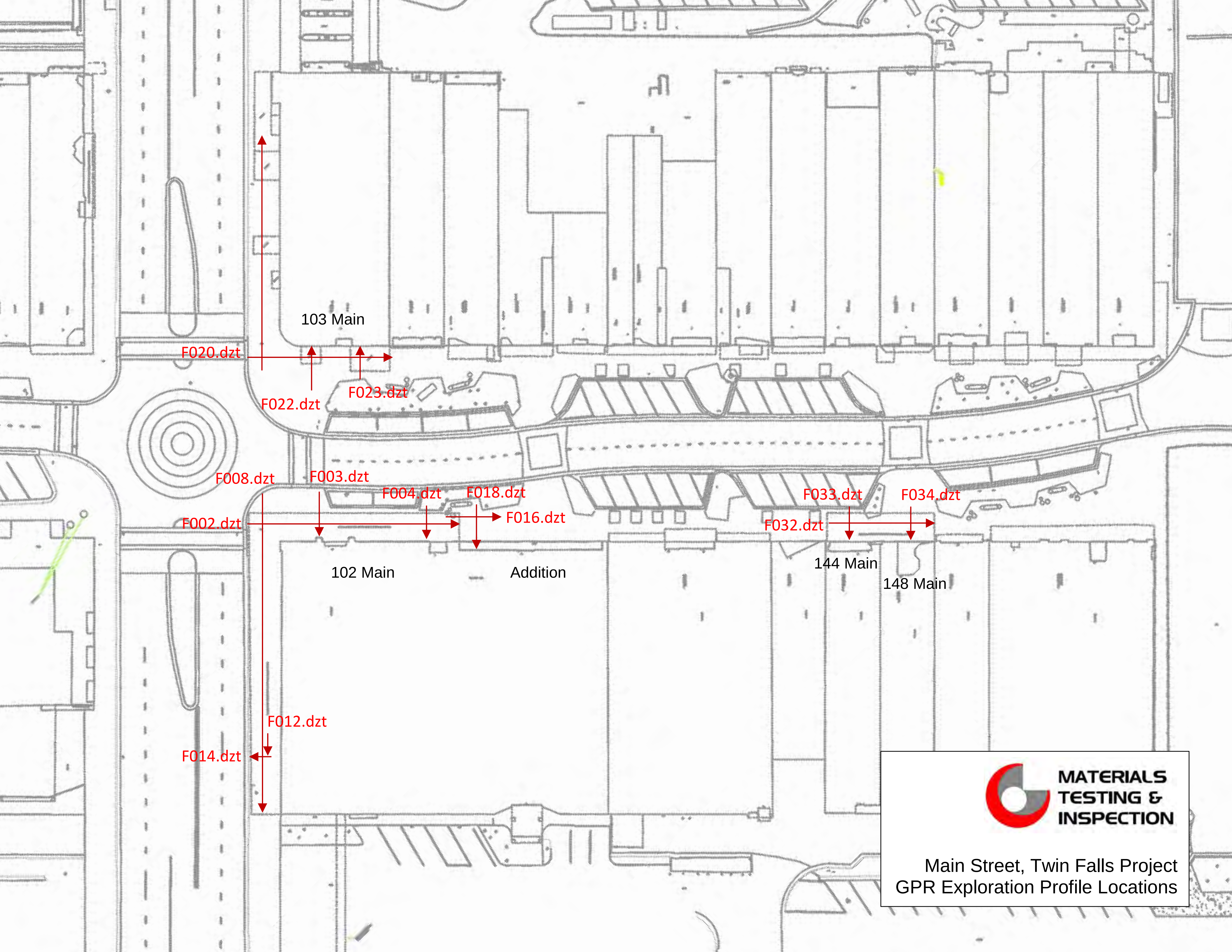
____
By: __________________________
Its: __________________________

EXHIBITS

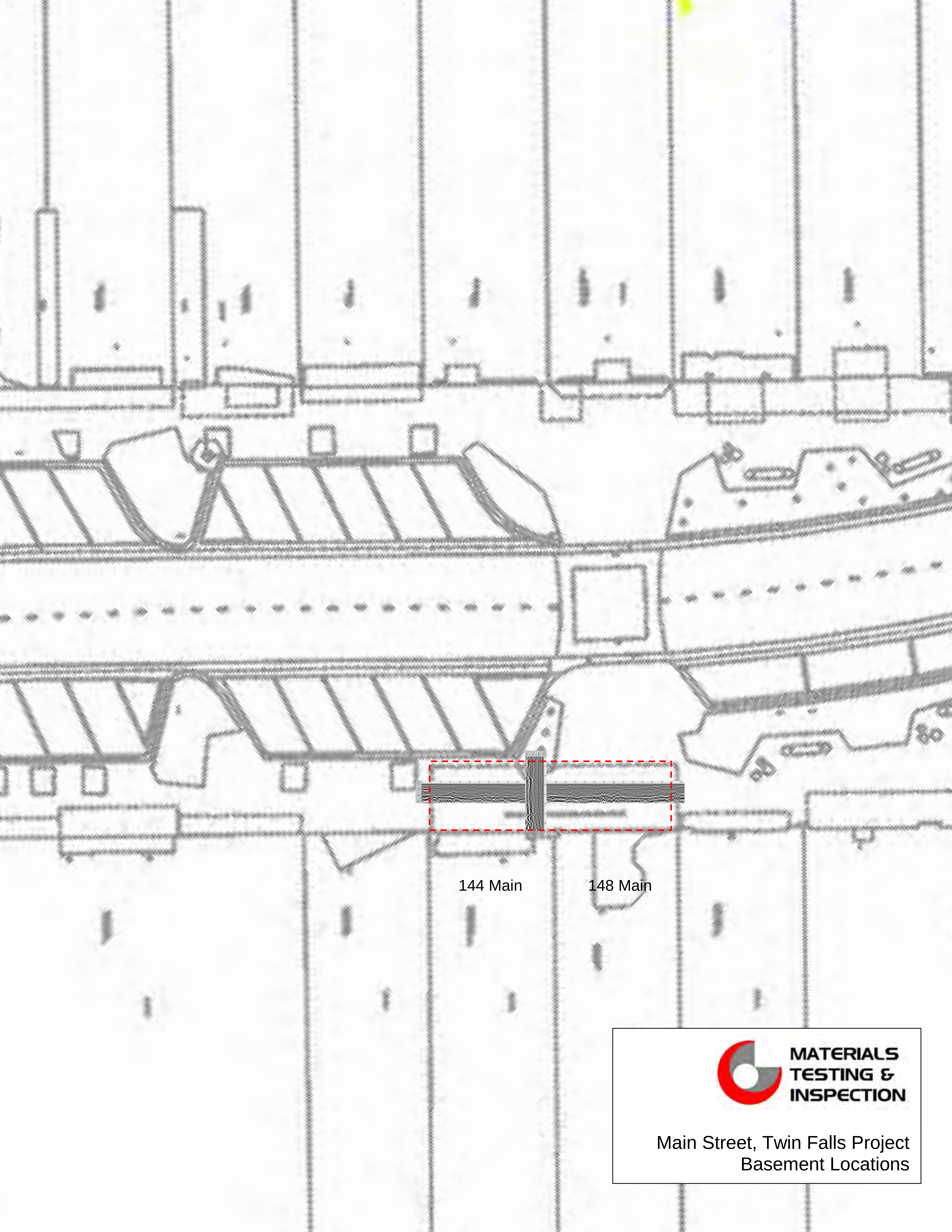
Exhibit A Aerial Map of Main Avenue Area Redesign Project Boundaries, including adjacent sidewalks

EXHIBIT A
(Aerial Map of Main Avenue Area Redesign Project Boundaries and Adjacent Sidewalks)

4842-1881-6317, v. 2



Main Street, Twin Falls Project
GPR Exploration Profile Locations



MATERIALS TESTING & INSPECTION

Main Street, Twin Falls Project
Basement Locations

LICENSE AGREEMENT

ROBERT L. CROWLEY

TWIN FALLS URBAN RENEWAL AGENCY

2017 STREETSCAPE VAULT ELIMINATION

This License Agreement ("Agreement") is entered into this _____ day of February, 2017 by and between Robert L. Crowley, an individual ("Licensor") and the Twin Falls Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended, and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended ("Licensee").

RECITALS

A. Pursuant to the real property records in Twin Falls County, Licensor is the owner of a certain parcel of real property located at 144 and148 Main Avenue South, Twin Falls, Idaho, 83301, Parcel No.: RPT0001103011A ("Subject Property"). The Subject Property occupies a portion of the south side of Main Avenue between Shoshone Street South and Hansen Street East ("Block Face").

B. As part of its ongoing program of investing in public infrastructure, Licensee contracts for the demolition and reconstruction of complete sidewalks, curbs and gutters ("Streetscapes") on select block faces in Licensee's urban renewal districts. Licensee generally seeks to eliminate all under-sidewalk vaults either as part of a streetscape improvement project or in advance of a planned streetscape improvement project.

C. Licensee's Main Avenue Area Redesign Project improvement plan includes the complete reconstruction of the Block Face's Streetscape. In anticipation of that work, Licensee would like to eliminate the subterranean vault ("Vault") in front of the Subject Property as part of its current year Streetscape project.

D. Licensee's Main Avenue Area Redesign Project ("Project") contemplates engaging a licensed public works contractor ("Contractor") to eliminate the Vault that extends under the sidewalk in front of the Subject Property from the building face to the curb.

E. The Vault is a historical artifact commonly found under sidewalks in downtown City of Twin Falls ("City"). The Vault was constructed decades ago and similar vaults can be found under sidewalks throughout the downtown area. The 'sidewalk with subterranean vault' design has long since become obsolete.

F. The under-sidewalk vault spaces are accessible to the adjacent properties. The Vault space at the Subject Property has historically been and is currently being used by the owner or tenants of the Subject Property.

G. Location of Subject Property, Block Face and Vault are depicted in Exhibit A.

H. Licensor and Licensee deem it appropriate to set forth the rights and responsibilities between the parties with respect to the Subject Property.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals which are incorporated into this Agreement, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Nature of License. Pursuant to the terms, conditions, and limitations of this Agreement, Licensor hereby grants to Licensee, a non-exclusive license ("License") to access the Subject Property for the following purposes:

   (a) Perform environmental survey and conduct light drilling and exploration of existing conditions at the Vault foundation and walls.

   (b) Demolish and remove that portion of sidewalk in front of Subject Property necessary to gain access to Vault.

   (c) Demolish and remove improvements made to the interior of the Vault.

   (d) Permanently seal off all access to the Vault from the Subject Property.

   (e) Completely fill the Vault with appropriate fill material.

   (f) Replace the removed portion of sidewalk in front of Subject Property.

2. Term of License. The term of the License shall begin on February 13, 2017, and terminate on the date the Licensee issues a Notice of Final Completion to its Project Contractor.

3. Licensee Requirements. Licensee will require its Contractor to:

   (a) Treat Subject Property and Licensor's personal property therein with care and respect, comply with Licensor's rules for access and use of Subject Property, and minimize disruption to Licensor's business operations.

   (b) Provide and maintain safe and convenient customer access to Subject Property during all business hours.

   (c) Once started, complete the Project as expeditiously as possible and in such a manner as to minimize any impacts on the Subject Property owner and adjacent businesses;

   (d) Keep the Subject Property safe and clear of debris; remove debris daily.

   (e) Comply with all City codes, ordinances and regulations that apply to public works construction projects.

   (f) Comply with all applicable fire code regulations concerning access and other measures as may be required by the City Fire Department.

   (g) Designate a liaison who is accessible at all times and responsible for communicating between Licensor and Contractor and quickly resolving any issues of concern to the Licensor. Licensor shall be under no obligation to negotiate or otherwise communicate with anyone other than Licensee in the performance of this Agreement.

4. Compensation. Licensor provides this License to Licensee at no cost.

5. Ownership. Licensee waives any claim to ownership of said Subject Property whether in fee, adverse possession, or any other right, title, or interest therein other than established pursuant to the terms of this Agreement.

6. Indemnification of Licensor. Licensee hereby agrees to indemnify and hold Licensor harmless from and against any and all claims for loss, injury, death and damage caused by or arising out of the use of the Subject Property by Licensee, its employees, contractors, and agents, or otherwise arising under this Agreement and including without limitation, reasonable attorney's fees and reasonable costs that might be incurred by Licensor in defending any such claims, but only to the extent caused by the negligent or intentional act or omissions of Licensee, its employees, contractors, and agents.

7. Insurance. Licensee shall require its Contractor, at the Contractor's expense, to maintain a policy or policies of comprehensive general liability insurance with respect to Contractor's use of the Subject Property. Said insurance shall provide minimum protection of not less than $1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. The Licensor shall be listed as an additional insured on Contractor's policy or policies of comprehensive general liability insurance, and Contractor shall provide Licensor with current certificates of insurance evidencing Contractor's compliance with this paragraph. To the extent commercially reasonable, Contractor will provide Licensor with written notice a minimum of ten (10) days before any policy expires or is terminated.

8. Assignment. It is expressly agreed that during the term of this Agreement neither party shall have the right to assign its rights under this Agreement without the prior written consent of the other party.

9. No Partnership. It is understood and agreed that nothing herein contained shall be considered in any way as constituting a partnership between Licensor and Licensee.

10. Notice. If any notice be required hereunder, it shall be sufficient if mailed to the other party at the following addresses:

Licensor:

Robert L. Crowley
c/o Richard D. Crowley
940 Trotter Dr.
Twin Falls, ID 83301
(208) 734-6781
4crowley@gmail.com

Licensee:

Twin Falls Urban Renewal Agency
c/o Nathan Murray, Executive Director
103 Main Avenue East
Twin Falls, ID, 83301
(208) 735-7240
nmurray@tfid.org

11. Time Is of the Essence. Time is of the essence of the provisions hereof.

12. Attorney Fees. Should either party be required to retain legal counsel to enforce any of the terms and/or conditions of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and reasonable costs as ordered by the court.

13. Entire Agreement. This Agreement, its exhibits, and its attachments embody the entire agreement between the parties. There are no other agreements, warranties, or representations between the parties other than set forth in this Agreement. All other prior agreements, whether written or oral, including the Prior License Agreement, are superseded by this Agreement and shall be of no further force or effect.

14. Heirs and Assigns. This Agreement shall be binding upon and inure to the benefit of the representatives, agents, officers, directors, successors, and assigns of the respective parties hereto.

15. Choice of Law. It is the intention of the parties that this Agreement, the performance hereunder, and all suits and special proceedings hereunder shall be construed in accordance with, under, and pursuant to the laws of the State of Idaho.

16. Headings. Headings are provided for the convenience of the parties and shall not be utilized by any court in construing the meaning of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year last written below.

By ______________________________
Robert L. Crowley

Date: ______________________________

TWIN FALLS URBAN RENEWAL AGENCY

By ______________________________
Dan Brizee, Chair

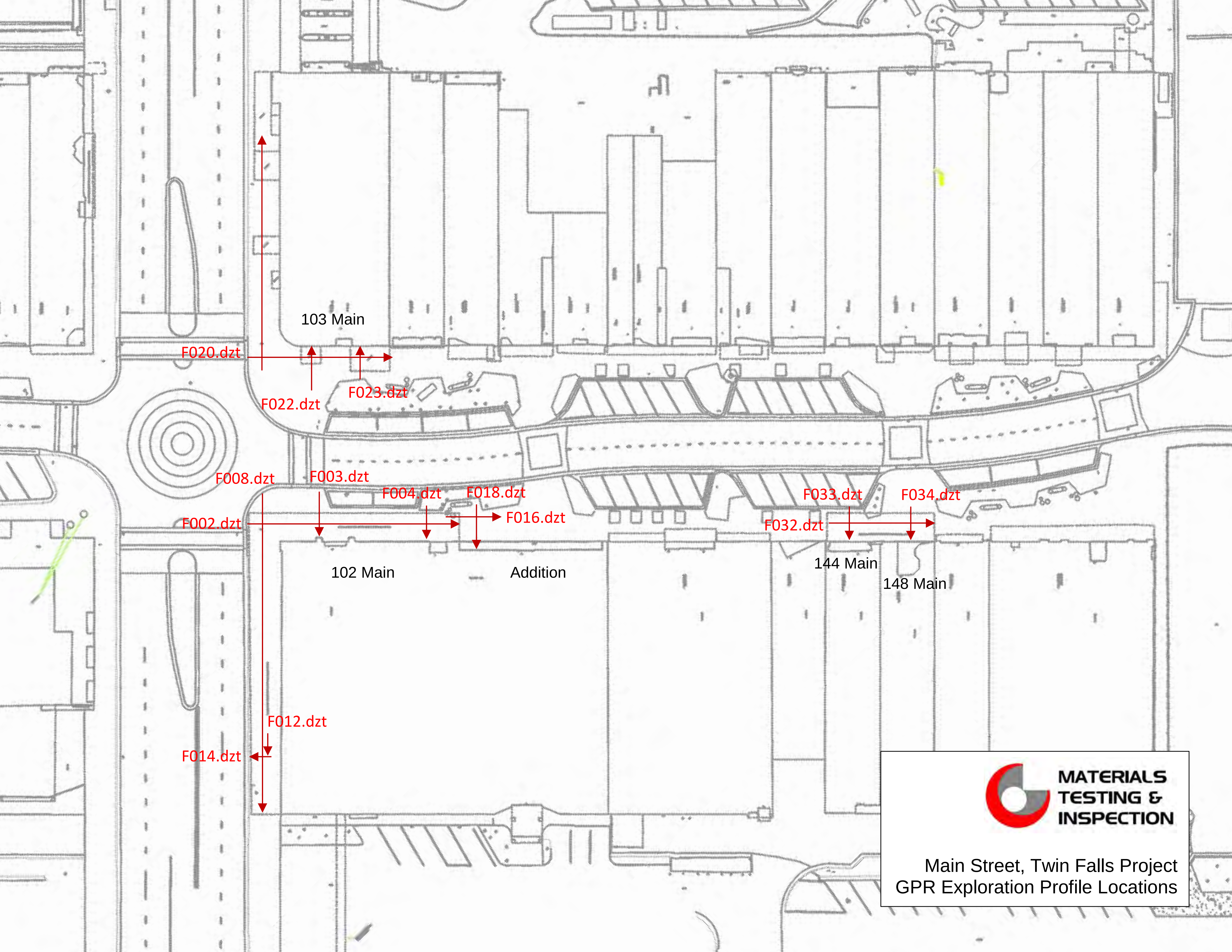
Date: ______________________________

EXHIBIT

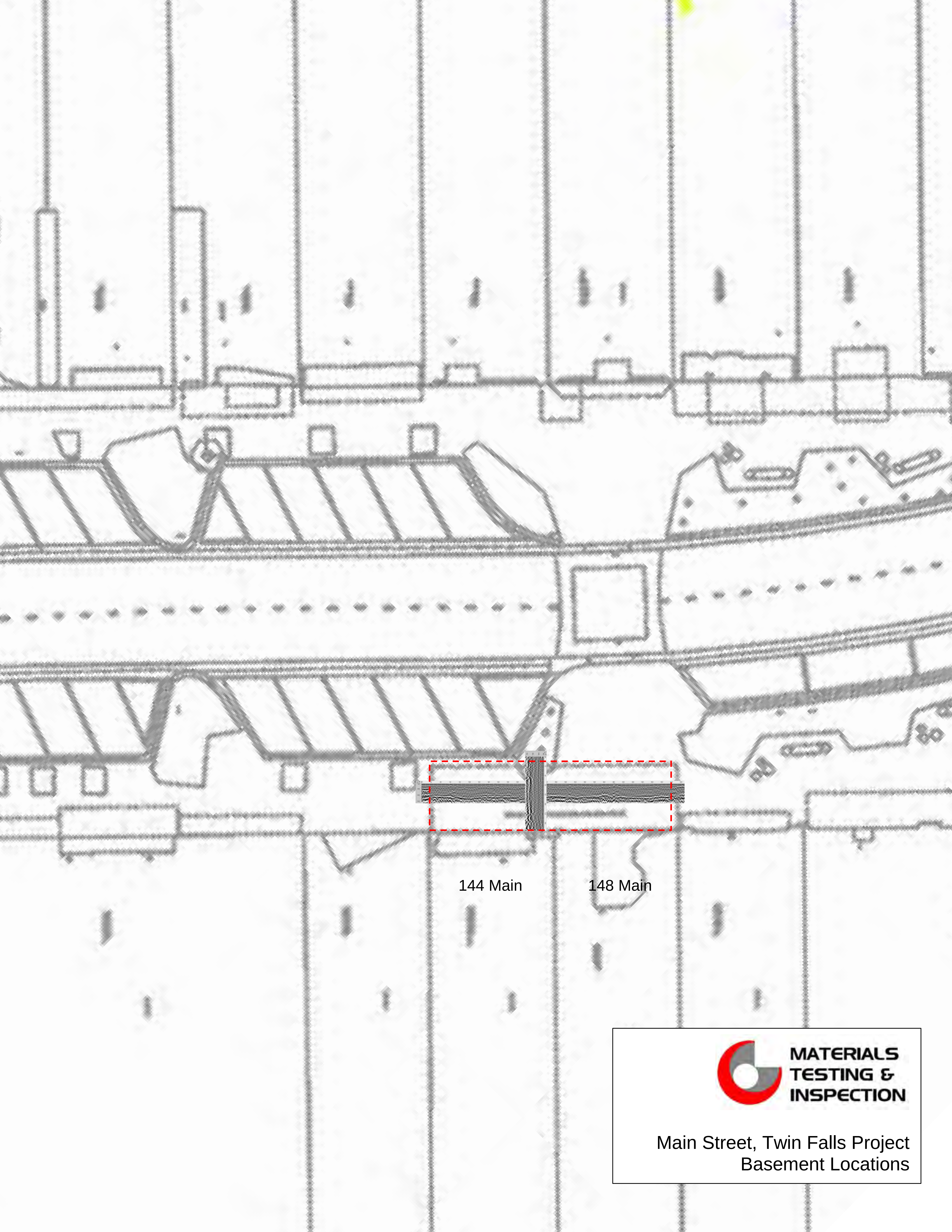
A: Location graphic of Subject Property and Vault

EXHIBIT A
(Location graphic of Subject Property and Vault)

4826-0466-8733, v. 6



103 Main
F020.dzt
F022.dzt
F023.dzt
F008.dzt
F003.dzt
F004.dzt
F018.dzt
F016.dzt
F002.dzt
F033.dzt
F034.dzt
F032.dzt
102 Main
Addition
144 Main
148 Main
F012.dzt
F014.dzt
MATERIALS TESTING & INSPECTION
Main Street, Twin Falls Project
GPR Exploration Profile Locations


144 Main
148 Main
MATERIALS TESTING & INSPECTION
Main Street, Twin Falls Project
Basement Locations

RESOLUTION NO. 2017-02

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

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF TWIN FALLS, IDAHO, APPROVING THE LICENSE AGREEMENT BETWEEN THE AGENCY AND ROBERT L. CROWLEY; AUTHORIZING THE CHAIRMAN TO EXECUTE THE AGREEMENT; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

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

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

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

WHEREAS, on October 7, 2002, the City Council, by Resolution No. 1692, approved expanding the geographic area of Urban Renewal Area #4;

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

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 2579 on May 7, 1998, approving the RAA #4-1 Plan and making certain findings;

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

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

WHEREAS, pursuant to the real property records in Twin Falls County, Robert L. Crowley is the owner of a certain parcel of real property located at 144 and148 Main Avenue South, Twin Falls, Idaho, 83301, Parcel No.: RPT0001103011A ("Subject Property"). The Subject Property occupies a portion of the south side of Main Avenue between Shoshone Street South and Hansen Street East ("Block Face");

WHEREAS, as part of its ongoing program of investing in public infrastructure, the Agency contracts for the demolition and reconstruction of complete sidewalks, curbs and gutters ("Streetscapes") on select block faces in the Agency's urban renewal districts. The Agency generally seeks to eliminate all under-sidewalk vaults either as part of a streetscape improvement project or in advance of a planned streetscape improvement project;

WHEREAS, the Agency's Main Avenue Area Redesign Project improvement plan includes the complete reconstruction of the Block Face's Streetscape. In anticipation of that work, the Agency would like to eliminate the subterranean vault ("Vault") in front of the Subject Property as part of its current year Streetscape project;

WHEREAS, the Agency's Main Avenue Area Redesign Project ("Project") contemplates engaging a licensed public works contractor ("Contractor") to eliminate the Vault that extends under the sidewalk in front of the Subject Property from the building face to the curb;

WHEREAS, the Vault is a historical artifact commonly found under sidewalks in the downtown area. The Vault was constructed decades ago and similar vaults can be found under sidewalks throughout the downtown area. The 'sidewalk with subterranean vault' design has long since become obsolete;

WHEREAS, the under-sidewalk vault spaces are accessible to the adjacent properties. The Vault space at the Subject Property has historically been and is currently being used by the owner or tenants of the Subject Property;

WHEREAS, Mr. Crowley and the Agency deem it appropriate to set forth the rights and responsibilities between the parties with respect to the Subject Property;

WHEREAS, Guho Corp. will require access to the Subject Property in order to conduct an environmental survey and review of existing conditions in or around February 17, 2017;

WHEREAS, attached hereto as Attachment 1, and incorporated herein as if set forth in full, is the License Agreement (the "Agreement"), and exhibits thereto;

WHEREAS, the Agency deems it appropriate to approve the Agreement; and

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Agreement and to authorize the Chairman to execute the Agreement;

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

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

Section 2: That the Agreement, which is attached hereto as Attachment 1, and incorporated herein by reference, be and the same hereby is approved.

Section 3: That the Chairman of the Agency is hereby authorized to sign and enter into the Agreement, and to execute all necessary documents required to implement the actions contemplated by the Agreement, subject to representations by the Agency staff and the Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Agreement or other documents are acceptable, upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the Agreement and the comments and discussions received at the February 13, 2017, Agency Board meeting. Additionally, the Chairman and Secretary are authorized to process any substantive provision or changes specifically authorized at the February 13, 2017, board meeting. The Agency is further authorized to appropriate any and all funds contemplated by the Agreement and to perform any and all other duties required pursuant to said Agreement.

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

PASSED AND ADOPTED by the Urban Renewal Agency of the city of Twin Falls, Idaho, on February 13, 2017. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on this 13th day of February 2017.

APPROVED:

By______________________________________
Dan Brizee, Chairman

ATTEST:

By________________________________
________________________, Secretary

4818-9798-4834, v. 1

RESOLUTION NO. 2017-03

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

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF TWIN FALLS, IDAHO, APPROVING THE MASTER LICENSE AGREEMENT FOR INSTALLATION AND MAINTENANCE OF INFRASTRUCTURE WITHIN THE PUBLIC RIGHT-OF-WAY BETWEEN THE AGENCY AND THE CITY; AUTHORIZING THE CHAIRMAN TO EXECUTE THE AGREEMENT; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

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

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

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

WHEREAS, on October 7, 2002, the City Council, by Resolution No. 1692, approved expanding the geographic area of Urban Renewal Area #4;

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

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

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

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

WHEREAS, the Agency's Main Avenue Area Redesign Project ("Project"), which generally includes improvements to the five blocks of Main Avenue from Fairfield to Jerome and on Hansen Street between the 2nd Avenues, and sidewalk improvements outside of, but adjacent to this area (collectively, the "**Main Avenue Area**"), contemplates installation, replacement and/or upgrading of deteriorating infrastructure, including but not limited to underground utility lines, streets and sidewalks, landscaping and vault remediation within the area of the City's jurisdiction over certain public rights-of-way;

WHEREAS, the Agency and the City deem it appropriate to set forth the rights and responsibilities between the parties with respect to the public right-of-way;

WHEREAS, attached hereto as Attachment 1, and incorporated herein as if set forth in full, is the Master License Agreement (the "Agreement"), and exhibits thereto;

WHEREAS, the Agency deems it appropriate to approve the Agreement; and

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Agreement and to authorize the Chairman to execute the Agreement;

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

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

Section 2: That the Agreement, which is attached hereto as Attachment 1, and incorporated herein by reference, be and the same hereby is approved.

Section 3: That the Chairman of the Agency is hereby authorized to sign and enter into the Agreement, and to execute all necessary documents required to implement the actions contemplated by the Agreement, subject to representations by the Agency staff and the Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Agreement or other documents are acceptable, upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the Agreement and the comments and discussions received at the February 13, 2017, Agency Board meeting. Additionally, the Chairman and Secretary are authorized to process any substantive provision or changes specifically authorized at the February 13, 2017, board meeting. The Agency is further authorized to appropriate any and all funds contemplated by the Agreement and to perform any and all other duties required pursuant to said Agreement.

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

PASSED AND ADOPTED by the Urban Renewal Agency of the city of Twin Falls, Idaho, on February 13, 2017. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on this 13th day of February 2017.

APPROVED:

By____
Dan Brizee, Chairman

ATTEST:

By__________________________________
_________________________, Secretary

4835-8101-5362, v. 1

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: February 13, 2017

To: Urban Renewal Agency of the City of Twin Falls

From: Phil Kushlan, Kushlan | Associates

Request:

To provide input to the process to update the City of Twin Falls Community Strategic Plan.

Background:

In 2012, the City of Twin Falls retained Kushlan | Associates to assist them in creating a new strategic plan intended to guide City decision-making through the year 2030. Recognizing that the environment in which we function changes over time, a periodic review of the specifics of the plan was built into the process. The first such comprehensive review and update is now underway.

When we went through the initial process, the City sought to ensure broad public input into the development of the Plan. During that effort, I interviewed over 30 City officials and staff along with a variety of community members seeking input on the issues facing Twin Falls. I spoke to both Gary Garnand who was Chair of the TFURA Board at the time as well as Brad Wills. In this iteration, we wanted to expand the level of input by including more individuals and groups. Thus, we are seeking input from the entire TFURA Board.

Attached you will find a memorandum explaining the backgrounds and process in more detail and including a summary of the existing Plan document. In essence, it requests your review of the summary document and asked four questions:

- Are the eight Focus Areas still relevant in 2017?
- Have we made progress on the Focus area?
- Have any new issues, not recognized in the initial plan, evolved over the intervening years that should be considered for inclusion in this update?
- Is the identified vision for each Focus Area still the desired condition for the city in the future?

The Mayor and City Council consider this effort to be critically important in defining future and on-going City priorities. They are committed to being inclusive, seeking broad input into the update of the document. We hope that you will spend some time to formulate responses to the questions noted above so that your perspectives can influence the final result.

Approval Process: None

Budget Impact: None

Conclusion: Board input to City process

Attachments: Strategic Plan 2017 Update

Memorandum to: Twin Falls Community Strategic Plan Update Participants
From: Phil Kushlan, Strategic Plan Consultant, Kushlan | Associates
Subject: Strategic Plan Update
Date: January 23, 2107

In 2012, the City of Twin Falls retained the services of Kushlan | Associates to assist the City in the development of a new Strategic Plan. The intent of the Plan is to identify a desired future vision of the City in 2030, and provide guidelines for City decision-making that would achieve that vision. The plan was adopted by the City in 2013 and has provided direction for the City, especially in decisions on the annual budget and City priorities.

The process for developing the plan included an analysis of the conditions, as they existed in 2012 and participation in that process and included all City departments as well as a broad array of community stakeholders. During the early part of 2012, more than 30 interviews were held with people involved in the community in various roles. Several community forums were held to invite further input from interested citizens.

While effective strategic planning is essentially long-term, the City recognizes that communities exist in a dynamic environment. While much of what is envisioned for 2030 will remain static over time, new issues, unforeseen at the time the plan was developed can arise. External influences may demand revised priorities. It is with this knowledge that the City of Twin Falls has requested that the Strategic Plan be updated to ensure that it remains the vital guidepost it has been during its initial five-year period.

In keeping with the original commitment to a community-based process, we have expanded the extent of participation, both internally and externally so that more voices can be heard and accommodated. Input from more individuals is being sought. Meetings with the Chairs of City Boards and Commissions will again bring their informed perspective to the conversation. Dialogue with other public agencies in the area is being planned, and a broader base of employee input is expected.

Attached to this memorandum you will find a summary of the existing Strategic Plan with the major Focus Areas, along with Goals and Initiatives for each Focus Area. In addition to this summary information, the full Strategic Plan document provides specific objectives, priorities and Lead Departments. For the sake of brevity, the full document was not provided to you, but certainly can be accessed at www.tfid.org/DocumentCenter/View/779 to anyone seeking that level of detail. However, for our purposes here, we wanted to focus on the high-level issues facing the Twin Falls community.

We would appreciate your review of the eight Focus Areas adopted in 2013 with these questions in mind:

- Are these eight Focus Areas still relevant in 2017?
- How have the 2012 Conditions noted in the current plan changed? Has the situation described improved, degraded or remained the same?
- Have any new issues, not recognized in the existing Plan, evolved over the intervening years that should be considered for inclusion in this update?
- Is the identified 2030 Vision for each Focus Area still the desired condition for the city in the future?

We greatly appreciate the time you will spend on this effort. Effective governance requires a committed City Council supported by an effective staff. The essential third leg of this stool is an engaged citizenry. Your participation will strengthen the process in which we are currently engaged, ensuring the Plan remains relevant to the needs and interests of Twin Falls citizens.

City of Twin Falls
Community Strategic Plan
2017 Update

Focus Area 1 – Healthy Community (HC)

2012 Condition:

Reflecting national trends, statistics prepared by the South Central Health District demonstrates that the Twin Falls population continues to face substantial challenges with respect to individual and community health. Relative high incidence of various cancers, diabetes, high blood pressure and smoking suggest long-term health-related problems for the community as well as the growing economic costs associated with such conditions.

The community has worked hard to maintain compliance with regulations for their water and sewerage systems but continuing changes in standards has created facility and cost pressures.

The City and County have been active in the development of a trail system but it remains incomplete and disjointed. The urban design of the community tends to require vehicle use for most activities and discourages walking.

2030 Vision:

Twin Falls is a community with a broad-based commitment to the long-range health of its citizens and visitors. A wide array of activities exists through private, non-profit, and public entities, as well as partnerships among them, which lead to a healthy, well-rounded community.

Water, sewer and other public facilities function at a high level ensuring the public health benefits of that infrastructure are well maintained and kept in compliance with acceptable standards. Community design standards facilitate individuals' commitment to maintaining a healthy life-style. Acute care and emergency response programs and infrastructure are maintained at the highest level and an active community-wide consciousness exists to help people make positive choices with respect to substance abuse of all kinds. Recreation, arts, and non-profit organizations contribute to a healthy community, as well. They attract and keep a skilled workforce and round out residents' interests in the outdoors and the arts.

Goal HC1: Improve the health of the community.

- **Initiative HC1.1: The City will provide facilities that support healthy lifestyles.**
- **Initiative HC1.2: The City will provide programs and services that support healthy lifestyles.**

Goal HC2: Maintain the environmental health of the community.

- **Initiative HC2.1: The City will maintain water and wastewater quality.**

Focus Area 2 – Learning Community (LC)

2012 Condition:

High school graduation rates, as well as the percentage of people possessing a bachelor's degree or higher, is below comparative outcomes in the state and national data. Future economic viability of the community demands a highly trained and technically competent workforce. High regard exists in the community for both the school system and the community college, yet their efforts to meet evolving demands require enhanced support. Other, non-traditional sources of learning need to be identified and supported.

2030 Vision:

Twin Falls is a community that consciously supports an individual's pursuit of intellectual as well as personal and professional growth. The formal education system is well supported and prepares the youth of the community to effectively function as a contributing member of society and a wide array of public and private institutions support a life-long pursuit of knowledge and skill development. Programs are in place to ensure the maximum level of success possible in meeting educational standards. Twin Falls continues to be known as the training center for our local economy.

Goal LC1: Extend the knowledge base of city government in support of a learning community.

- **Initiative LC1.1: The City will support efforts of others in creating a well-educated and trained community.**

Focus Area 3 – Secure Community (SC)

2012 Condition:

The community invests significantly in systems that ensure the safety and security of inhabitants, businesses and visitors. Police and Fire services are of a high quality and a competent building permit process ensures long-term structural integrity of building constructed in the community. However, a recent period of severe fiscal limitation has strained these systems to maintain the level expected by community members. A primary focus on the basics has resulted in a less than adequate level of communication between the service providers and those relying on them.

2030 Vision:

Twin Falls is a community where people feel safe and, in fact, enjoy a high level of safety. Effective partnerships among the professional public safety organizations and individuals and groups of private citizens help ensure broad-based, effective involvement in crime and fire prevention and Build code enforcement efforts. Community education and civil engineering efforts continue to show positive results in traffic, bicycle and pedestrian safety experience

Continued investment in professional development as well as in public safety systems, infrastructure and technology has ensured a robust emergency response capability.

Goal SC1: Maintain public safety at the highest practical level.

- **Initiative SC1.1: The City will train personnel to maintain fire suppression capabilities for the fire service area.**
- **Initiative SC1.1: The City will maintain fire apparatus, equipment and facilities to the highest standards.**
- **Initiative SC1.3: The City will maintain a high level of interactive communication with the community on police services.**
- **Initiative SC1.4: The City will continue to balance perception vs. reality regarding police services.**
- **Initiative SC1.5: The City will improve professional and technical development in the City's communication system.**

Goal SC2: Maintain safe public facilities and parks.

- **Initiative SC2.1: The City will ensure that all public facilities are safe.**
- **Initiative SC2.2: The City will maintain public facilities and services during emergencies.**

Goal SC3: Prevent crime, fire events, and life safety hazards.

- **Initiative SC3.1: The City will provide high quality prevention through code enforcement, plan reviews, and public education programs.**

Goal SC4: Focus efforts on specific public safety issues.

- **Initiative SC4.1: The City will increase traffic, bicycle and pedestrian safety.**
- **Initiative SC4.2: The City will improve community response to drug and alcohol issues.**

Focus Area 4 – Accessible Community (AC)

2012 Condition:

In addition to_significant growth within the community, Twin Falls has evolved into a regional retail and trade center for South Central Idaho and Northern Nevada. While notable investment has been made in transportation system improvements by state and local authorities, demand continues to outpace investment in the street and highway system. Maintenance levels had declined but recent enhancements to budget levels for major street programs have produced positive results. Investment in bicycle and pedestrian facilities has been of lower priority leaving those facilities incomplete.

Only minimal investment has been made in a system of public transportation, that being through College of Southern Idaho, with the system focused on student transit.

2030 Vision:

Through effective planning and timely investment, the Twin Falls area has kept pace with the mobility requirements of an expanding and changing population. An integrated and balanced system of transportation modes including bicycles and pedestrians, as well as a modern public transportation system supports the traditional street and highway vehicle users. A commitment to high levels of maintenance of these systems ensure the long-term integrity of the public investments made and maximizes the convenience of those dependent upon the proper functioning of these systems.

Effective coordination with a wide array of partners has ensured that regional transportation facilities such as state highways, the interstate system and Magic Valley Regional Airport continue to provide an improving level of convenient access to the area for residents, visitors and commercial interests.

Goal AC1: Expand multi-modal choices.

- **Initiative AC1.1: The City will ensure that the city's sidewalks are walkable and safe.**
- **Initiative AC1.2: The City will expand and maintain pedestrian and bicycle trails.**
- **Initiative AC1.3: The City will explore a public transportation system.**
- **Initiative AC1.4: The City will explore land use patterns that support multi-modal transportation options.**
- **Initiative AC1.5: The City will continue to improve the condition and operation of its streets.**

Goal AC2: Improve connectivity.

- **Initiative AC2.1: The City will improve connectivity within and between transportation modes.**

Goal AC3: Maintain and improve the Airport.

- **Initiative AC3.1: The City will continue to maintain and improve the airport facilities.**
- **Initiative AC3.2: The City will improve airport service.**

Focus Area 5 – Environmental Community (EC)

2012 Condition:

The natural setting in which Twin Falls exists is viewed as a precious resource by those who reside in the community. The Snake River and Rock Creek Canyons provide a significant and irreplaceable amenity for the community. Balancing community interest and private property rights in these areas will be a challenge that requires clear vision and broad communication. Maintaining water and air quality in the face of a growing population and business demands has proven difficult. Short-term actions produce long-term consequences. Investment in preserving those things that are valued by the community has proven difficult in a period of significant fiscal restraint.

2030 Vision:

Twin Falls exists in an unparalleled natural setting that provides recreational opportunities, solace and inspiration for residents and visitors alike. An on-going commitment to maintaining the natural heritage acknowledges the significance placed upon this aspect of community life by Twin Falls residents. The business community also recognizes the essential role this commitment to our natural setting and proximity to outdoor activities plays in sustaining and expanding the region's economic vitality.

The community's commitment to maintaining clean water and clean air continues to set Twin Falls apart from those places allowed to degrade in the face of a growing population.

Goal EC1: Improve the environmental standards of the community.

- **Initiative EC1.1: The City will reduce negative impacts of noise.**
- **Initiative EC1.2: The City will employ sustainable land use policies.**

- **Initiative EC1.3 The City will enhance property maintenance levels in the community.**
- **Initiative EC1.4: The City will support efforts to maintain air quality.**

Goal EC2: Support environmental stewardship.

- **Initiative EC2.1: The City will develop its assets to support environmental stewardship.**
- **Initiative EC2.2: The City will manage its assets to support environmental stewardship.**

Focus Area 6 – Prosperous Community (PC)

2012 Condition:

Recent, high profile successes in securing significant business investment in Twin Falls has produced needed jobs and tax revenue. Future successes in this area are endangered by certain factors that require attention and investment. Water and sewer capacity does not currently exist to support either industrial or significant residential expansion. Enhanced capacity in the workforce to effectively compete in a more technically oriented labor environment must be pursued.

The historic downtown is highly valued in the community, but it has languished in recent years with expanded commercial competition from other areas in the community. Solutions have been frustratingly difficult to find and implement.

2030 Vision:

A consistent commitment ensuring community residents have access to employment that supports personal and family well-being has resulted in a robust economy based upon the traditional agricultural base of the region as well as an expanded economic base from new fields of endeavor. A balanced focus by a variety of regional partners on preparing the local labor force to effectively function in an era of changing skill requirements as well as on-going investment in required infrastructure has allowed locally based businesses to expand as their business needs dictate while accommodating new industries and businesses into the marketplace.

Twin Falls has continued to serve as the regional retail and professional service center for South Central Idaho and North East Nevada.

Goal PC1: Revitalize the downtown.

- **Initiative PC1.1: The City will provide leadership in the creation of partnership for revitalizing downtown.**
- **Initiative PC1.2: The City will improve access and eliminate barriers to downtown.**

Goal PC2: Provide public services and facilities that support economic prosperity.

- **Initiative PC2.1: The City will determine the need for infrastructure to support future growth.**
- **Initiative PC2.2: The City will seek opportunities for air service improvements and economic development opportunities associated with the airport.**

Goal PC3: Expand the opportunities for business and tourism.

- **Initiative PC3.1: The City will develop a business marketing strategy.**

- **Initiative PC3.2: The City will use tourism as a tool in economic development.**
- **Initiative PC3.3: The City will serve as the focal point for economic development efforts.**

Focus Area 7 – Responsible Community (RC)

2012 Condition:

Communities function best when supported by a committed and involved citizenry working in tandem with responsive and transparent community institutions. Voter participation has been low in recent years and surveys have suggested a need for enhanced levels of communication between government entities and the public they serve. Better understanding regarding what can be expected of government versus what can be best achieved through personal initiative and responsibility can result in a better community and lower cost of government.

2030 Vision:

The Twin Falls community has retained its human face as it has grown over time. New residents are welcomed and made to feel part of the tightly knit community. A vital aging population is an active segment of the population.

The community is actively engaged in the various public, private, civic, arts and religious institutions serving the area through volunteerism and involvement in neighborhood and local government activities.

Goal RC1: Involve the Community.

- **Initiative RC1.1: The City will seek the community's involvement in carrying out its responsibilities.**
- **Initiative RC1.2: The City will support citizen responsibility.**

Focus Area 8 - Internal Organization (IO)

2012 Condition:

Twin Falls is one of the few cities in Idaho operating under the Council-Manager form of government. This professional approach to municipal administration working on close concert with elected policy leadership has produced high levels of service with relatively low costs. This has been produced through constantly analyzing operations for new efficiencies, investing in a skilled and respected city workforce supported by an unequivocal commitment to integrity.

While recent years have presented major fiscal challenges, a focus on the long-range has avoided much of the dramatic degradation of service experienced by many communities throughout the country.

2030 Vision:

The City of Twin Falls strives to carry out its mission with unquestioned integrity, and the highest ethical standards. In its role as stewards of the community assets it focuses on the proper use of available resources, continually assessing programs and processes to ensure maximum effectiveness. In pursuit of shared obligation for community livability, opportunities are made available to citizens for direct involvement in civic affairs and transparency in decision-making.

In support of the desired effectiveness, the elected leadership works in close partnership with appointed professionals carrying out clear policy directives. A high level of competency is provided from a lean, properly compensated and respected core staff.

Maximum effort is expended in ensuring authorities granted through state legislation are maintained and expanded.

Goal IO1: Provide effective, professional, high quality services to City residents, businesses, industries, and visitors.

- **Initiative IO1.1: The City of Twin Falls will empower, educate, and equip its employees with the knowledge, skills, and abilities as well as facilities and tools that are required for them to succeed.**
- **Initiative IO1.2: The City will be a leader and example for the community in promoting employee wellness.**

Goal IO2: Treat our employees fairly.

- **Initiative IO2.1: The City of Twin Falls will build a strong, informed, and committed workforce through fair compensation, good treatment, and professional development programs.**

Goal IO3: The City of Twin Falls will continue to be a financially strong and viable.

- **Initiative IO3.1: Create and execute sound fiscal plans and accompanying policies that ensure financial resources are allocated in a manner designed to achieve the strategic goals and objectives.**

Goal IO4: The City of Twin Falls will plan responsibly for the future.

- **Initiative IO4.1: The City of Twin Falls will prepare for growth through developing and updating critical Plan documents, collaborating with local/regional partners, and finding ways to match resources to increasing demand for services and state and federal mandates.**

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Policy Statement – 2017-01

Title: Real Property Management

Date: ______________, 2017

Title: Policy with regard to acquisition, retention and disposition of real property

Purpose: The purpose of the Real Property Management Policy is to articulate the direction of the Board of Commissioners with respect to the position of the Agency, consistent with applicable state law, in the acquisition, retention and disposition of real property in the pursuit of goals and to ensure consistent approach to such issues.

Policy:

A) Acquisition:

1) The Urban Renewal Agency of the City of Twin Falls (TFURA) shall have the right to acquire any interest in real property, including fee simple title thereto, which it may deem necessary for or in connection with an urban renewal project and related activities. Acquisition authority is based upon Idaho Code §§ 50-2010, 50-2018(10), 50-2018(12), and 50-2903(13). Idaho Code § 50-2018(12) requires an agency's urban renewal plan to indicate potential land acquisition.
2) The Agency may acquire real property for
    a. redevelopment in support of adopted urban renewal plans,
    b. for long-term public uses or
    c. in support of community economic development purposes.
3) When authorizing the acquisition of a particular property, the Board of Commissioners will state within the resolution authorizing such acquisition, which purpose the property will serve.
4) Any change in anticipated property use will be implemented by way of a subsequent resolution of the Board of Commissioners.
5) The cost of acquisition shall be based upon the current market value of similar properties located within the same geographic area, determined by either a formal appraisal or an estimate of range of values provided by a competent real estate professional familiar with conditions in the area. The Agency may also take into consideration the assessed value of the properties as determined by the Twin Falls County Assessor and/or any real estate listing price for the properties.
6) The Agency may retain the services of a real estate professional, use Agency Staff, other City resources, legal counsel or any other assistance it determines appropriate to the situation.

7) The Agency Board of Commissioners may discuss acquisition of specific parcels and provide direction to staff or agents in an executive session of the Board of Commissioners to the extent provided by law. See Idaho Code § 74-206(1)(c).
8) At such time as a property has been acquired by the Agency, it will be entered into and maintained in the Agency Property Inventory.
9) The Board of Commissioners acknowledges that state law grants to Urban Renewal Agencies in Idaho the power of eminent domain, the existence of which is essential in retaining the full authority of a public entity under state law and the Idaho Constitution. See Idaho Code § 7-701A. However, the Agency is committed to respecting the rights of property owners and will only exercise those powers as a last resort in an essential acquisition or to alleviate a clear threat to public health and safety as prescribed by law. The property owner is entitled to an advice of rights form as required by Idaho Code § 7-711A. Such action would only be initiated after consultation with the City Council of the City of Twin Falls.

B) Retention:

1) For properties acquired under section A.2.a. above, a plan for redevelopment shall be established for how such property shall be developed either independently or in concert with other surrounding properties.
2) Consistent with state law, such properties shall be redeveloped in conformance with adopted urban renewal plans as soon as practical after acquisition.
3) If redevelopment occurs more three years after the date of acquisition, public notification, as prescribed by law, shall be made reflecting Agency plans for the property. See Idaho Code § 50-2011(f)
4) For properties acquired under section A.2.b. above, transfer of ownership to the appropriate public entity shall be made as soon as practical under conditions acceptable to the receiving entity.
5) For properties acquired under section A.2.b. above a specific agreement detailing the goals of the economic development acquisition between the Agency and the sponsoring economic development entity will be developed and adopted by the TFURA Board of Commissioners.
    a. An annual report with respect to the goals of the project will be provided to the sponsoring entity and made available to the general public.
6) A detailed Agency Property Inventory shall be developed and maintained on an on-going basis, updated at least quarterly or whenever an acquisition or disposition occurs impacting the property holdings of the Agency.
7) The Agency may temporarily operate and maintain real property acquired by it pending disposition. All costs incident to the operation and maintenance of such properties shall be the obligation of the Agency Rental Fund without support from the Revenue Allocation Areas.
8) If the Agency acquires real property that has an on-going public purpose and elects to retain ownership and operational responsibility, it may continue that ownership even after closure of the urban renewal district has terminated as long as such activity produces sufficient resources to cover its full operating obligations. See Idaho Code § 50-2905(8).

C) Disposition:

Generally, the disposition process is governed by Idaho Code § 50-2011, which describes the process for disposition to private developers, other public entities (see also § 50-2015(f)), and non-profit entities. An Agency may prescribe an alternative disposition process, but such process must meet the objectives of Idaho Code § 50-2011.

1) Interest in Agency-owned property may be transferred to private developers who demonstrate an interest and capacity to utilize the property to implement the adopted urban renewal plan.
2) The developer must demonstrate how their use of the property is in accord with the urban renewal plan.
3) The developer must agree to not use the property for speculative purposes and not sell the property until the development for which the transfer is made has been completed and a Certificate of Completion has been issued by the Agency.
4) Transfer of Agency property to a private entity can only be accomplished though a competitive process as prescribed by law.
5) The Agency may use a Request for Qualifications (RFQ) process, Request for Proposal (RFP) process or respond to specific proposals from a developer through the Exclusive Right to Negotiate (ERN) process, at the discretion of the Board of Commissioners.
6) The value associated with the transfer must be based upon a "Fair Reuse" basis recognizing the specifics of the development proposal and the conditions imposed by the Agency upon such transfer.
7) Real property transferred to a public entity for a public use may be conveyed with or without compensation and for any consideration deemed appropriate by the Board of Commissioners in consultation with the receiving entity.
8) Agency property may be transferred for industrial or commercial purposes to a private entity or non-profit corporation for development consistent with the urban renewal plan at "Fair Reuse" value.
    a. Improvements to the property required under the urban renewal plan may be deferred to the ultimate industrial or commercial developer.

Adopted by the Board of Commissioners
The Urban Renewal Agency of Twin Falls, Idaho
____________________________, 2017

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Dan Brizee, Chair Neil Christensen, Secretary