



Urban Renewal Agency Agenda

Monday, October 8, 2018, 12:00 PM

Council Chambers
203 Main Avenue East- Twin Falls, Idaho

Members: Dexter Ball, Perri Gardner, Suzzane Cawthra, Rudy Ashenbrener, Cindy Bond, Andy Hohwieler, Doug Vollmer

- 1) Confirmation of Quorum/Call Meeting to Order
- 2) Consideration of Amendment(s) to the Agenda
- 3) Consent Calendar
 - a) Request to approve 1) Minutes for September 10, 2018 meeting; 2) September 2018 Financial Report; 3) October 2018 Accounts Payable.
Purpose: **ACTION ITEM** By: Lorrie Bauer, Secretary
- 4) Reports/Updates
 - a) Executive Director's Report
Purpose: **Informational** By: Nathan Murray, Executive Director
 - b) Water Supply Update
Purpose: **Informational** By: Jon Caton, Public Works Director
 - c) Milk Supply Update
Purpose: **Informational** By: Rick Naerebout, CEO, Idaho Dairymen's Association
- 5) Items of Consideration
 - a) Consideration of a request to approve an agreement between the Urban Renewal Agency of the City of Twin Falls, Idaho, and Elam and Burke for legal services.
Purpose: **ACTION ITEM** By: Nathan Murray, Executive Director
 - b) Consideration of a request to make a 'Finding of Necessity' to amend the boundaries of the Urban Renewal Agency of Twin Falls.
Purpose: **ACTION ITEM** By: Nathan Murray, Executive Director
 - c) Consideration of a request to approve a Quit Claim Deed to transfer 219 Shoshone Avenue North from the Twin Falls Urban Renewal Agency to Historic Ballroom, LLC.
Purpose: **ACTION ITEM** By: Nathan Murray, Executive Director

- d) Consideration of a request to pay \$65,000 to Manaus, LLC for the completion of repairs following the termination of lease for 1851 Fillmore Avenue.

Purpose: **ACTION ITEM** By: Nathan Murray, Executive Director

6) General Input/Announcements - Public/Staff

7) Upcoming Meeting(s)

- a) Wednesday, November 14, 2018 @ 12:00 pm.

8) Adjournment

- a) Request to Adjourn to Executive Session 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency.

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



Urban Renewal Agency Minutes

Monday, September 10, 2018, 12:00 PM

Council Chambers
203 Main Avenue East- Twin Falls, Idaho

Members: Dexter Ball, Perri Gardner, Suzzane Cawthra, Rudy Ashenbrener, Cindy Bond, Andy Hohwieler, Doug Vollmer

1) Confirmation of Quorum/Call Meeting to Order

Present: Dexter Ball, Rudy Ashenbrener, Suzzane Cawthra, Cindy Bond, Doug Vollmer, Andy Hohwieler and Perri Gardner (*arrived at 12:05*).

Absent: None

Staff Present: Nathan Murray, Executive Director; Lorrie Bauer, Secretary; Fritz Wonderlich, City Attorney; Shayne Nope, Deputy City Attorney; Jonathan Spendlove, Planning and Zoning Director; and Don Hall, County Commissioner.

Chairman Ball called the meeting to order at 12:00 PM. A quorum was present.

2) Consideration of Amendment(s) to the Agenda

None.

3) Consent Calendar

- a) Request to approve 1) Minutes for August 13, 2018 meeting; 2) August 2018 Financial Report; 3) September 2018 Accounts Payable.

MOTION: Cindy Bond moved to accept the minutes and financials. Suzzane Cawthra seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

4) Reports/Updates

- a) Executive Director's Report
Fillmore Parking Lot - A letter was sent to the owners of the lot on August 22nd requesting permission to access the lot to do a crack-seal, fog coat, and restriping and that time was of the essence. To date, no response has been received. Discussion ensued.

Legal Counsel - Proposals have been received for 2018-1-9 legal counsel and will be discussed later.

160 Main Ave. S - The future development agreement will be hinged upon a parking structure in which the developer will provide associated costs at a meeting scheduled for September 12th.

5) Items of Consideration

- a) Public Hearing and Consideration of a request to adopt an amendment for the FY2017-18

budget increasing the total expenditures by \$1,575,446.

Nathan explained the request. The public hearing was open. No comments. Public hearing closed.

MOTION: Perri Gardner moved to adopt the proposed budget amendment of \$1,575,446 for FY2017-18. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

6) General Input/Announcements - Public/Staff

None.

7) Upcoming Meeting(s)

- a) Monday, October 8, 2018 @ 12:00 p.m.

8) Adjournment

- a) Request to Adjourn to Executive Session:

74-206(1)(a) to consider hiring a public officer, employee, staff member or individual agent (does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general); and 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency.

MOTION: Perri Gardner moved to adjourn to executive session pursuant to Idaho Code 74-2061a and c. Rudy Ashenbrenner seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

Lorrie Bauer, Recording Secretary

Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss
September 2018

	Sep 18
Ordinary Income/Expense	
Income	
Investment Income	20,001.03
Property Taxes	6,399.10
Rental Income	1,333.33
Total Income	27,733.46
Gross Profit	27,733.46
Expense	
RAA 4-1	
160 Main Ave S. (Youth Ranch)	344.06
Shoshone St/2nd Ave N	82,455.17
Main Ave.	
DT Art	449.00
Main Ave. - Other	183,239.62
Total Main Ave.	183,688.62
Total RAA 4-1	266,487.85
Debt Payments - Interest	370,425.00
Debt Payments - Principal	195,000.00
Insurance Expense	6,664.00
Meeting Expense	122.00
Miscellaneous	44.99
Real Estate Expense	405.37
Total Expense	839,149.21
Net Ordinary Income	-811,415.75
Net Income	-811,415.75

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October 2017 through September 2018

	Oct '17 - Sep 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Line of Credit Adv. - Clif Bar	195,746.58			
Bank Bond Proceeds	0.00	2,800,000.00	-2,800,000.00	0.0%
ICDBG - Grant Income	255,444.22			
Contributions	119,021.65			
Investment Income	121,793.50	15,000.00	106,793.50	812.0%
Other Income	150,060.00			
Property Taxes	9,857,679.75	10,218,350.00	-360,670.25	96.5%
Rental Income	71,927.11	440,487.00	-368,559.89	16.3%
Sale of Assets	2,044,350.00			
Total Income	12,816,022.81	13,473,837.00	-657,814.19	95.1%
Gross Profit	12,816,022.81	13,473,837.00	-657,814.19	95.1%
Expense				
RAA 4-1				
160 Main Ave S. (Youth Ranch)	469,158.96			
Shoshone St/2nd Ave N	243,065.45			
Main Ave.				
DT Art	46,436.50			
Main Ave. - Other	4,820,731.31			
Total Main Ave.	4,867,167.81			
Payment on City's \$6,000,000	1,000,000.00			
RAA 4-1 - Other	141,944.84	7,310,000.00	-7,168,055.16	1.9%
Total RAA 4-1	6,721,337.06	7,310,000.00	-588,662.94	91.9%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	1,320,297.15	1,320,297.00	0.15	100.0%
Debt Pay. (Chobani) Principal	4,151,182.42	5,361,334.00	-1,210,151.58	77.4%
Total RAA 4-3 (Chobani)	5,471,479.57	6,681,631.00	-1,210,151.43	81.9%
RAA 4-4 (Clif Bar)	20,000.00			
Bond Trustee Fees	5,000.00	3,000.00	2,000.00	166.7%
Bonding Costs	0.00	2,000.00	-2,000.00	0.0%
Community Relations & Website	0.00	500.00	-500.00	0.0%
Debt Payments - Interest	1,161,889.09	925,877.00	236,012.09	125.5%
Debt Payments - Principal	1,470,000.00	1,470,000.00	0.00	100.0%
Dues and Subscriptions	4,250.00	2,300.00	1,950.00	184.8%
Insurance Expense	6,664.00	6,650.00	14.00	100.2%
Legal Expense	1,515.07	30,000.00	-28,484.93	5.1%
Management Fee	358,000.00	208,000.00	150,000.00	172.1%
Meeting Expense	1,014.12	3,500.00	-2,485.88	29.0%
Miscellaneous	44.99	500.00	-455.01	9.0%
Office Expense	494.36	500.00	-5.64	98.9%
Prof. Dev./Training	938.70	2,500.00	-1,561.30	37.5%
Professional Fees	0.00	10,000.00	-10,000.00	0.0%
Property Tax Expense	109,504.56	125,600.00	-16,095.44	87.2%
Real Estate Exp. - Call Center	50,327.21	153,400.00	-103,072.79	32.8%
Real Estate Expense	11,887.08	12,000.00	-112.92	99.1%
Real Estate Lease	0.00	124,000.00	-124,000.00	0.0%
Total Expense	15,394,345.81	17,071,958.00	-1,677,612.19	90.2%
Net Ordinary Income	-2,578,323.00	-3,598,121.00	1,019,798.00	71.7%
Other Income/Expense				
Other Income				
Transfers In	0.00	482,450.00	-482,450.00	0.0%
Transfers Out	0.00	-482,450.00	482,450.00	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	-2,578,323.00	-3,598,121.00	1,019,798.00	71.7%

Twin Falls Urban Renewal October 2018 Accounts Payable

<u>Check #</u>	<u>Date</u>	<u>Paid Amount</u>	<u>Name</u>	<u>Account</u>	<u>Fund</u>	<u>Memo</u>
3786	09/17/2018	150.00	Magic Valley Electric	Main Ave.	Rev Alloc 4-1	Electrical repair 20180602 / #14986
3787	09/27/2018	80.00	ASL Interpreting Services	Main Ave.	Rev Alloc 4-1	Replaces Check #2554
3788	09/27/2018	24,222.67	City of Twin Falls	Main Ave.	Rev Alloc 4-1	Reimbursement to the City for Main Ave. expenses paid
3789	Void	-				
3790	Void	-				
3791	10/04/2018	47,174.84	Dillon Toyota Lift	RAA 4-1	Rev Alloc 4-1	Replaces Check #3731
3792-3804	Void	-				
3805	10/04/2018	2,492.09	CH2M	Main Ave.	Rev Alloc 4-1	Owner Representataive Services / #381160932
3806	10/04/2018	44.34	City of Twin Falls	Real Estate Expense	Rev Alloc 4-1	Water - 160 Main Av / #130529-Sep
3807	10/04/2018	38.01	Floyd Lilly Co.	Main Ave.	Rev Alloc 4-1	Comons - Splash pad valve / #239374
3808	10/04/2018	14.40	Haffner's Lock & Key	Real Estate Expense	Rev Alloc 4-1	Commons bldg - Keys for data cabinet / #25077
3809	10/04/2018	20,074.05	HC Company, Inc.	Shoshone St/2nd Ave N	Rev Alloc 4-1	Streetscape Improvements / #HC18225
3810	10/04/2018	110.71	Idaho Power	Real Estate Expense	Rev Alloc 4-1	Power - 160 Main Ave S / #2223719168-Sep
3811	10/04/2018	9.90	Intermountain Gas Company	Real Estate Expense	Rev Alloc 4-1	Gas - 129 E Hansen / #73747812375-Sep
3811	10/04/2018	9.79	Intermountain Gas Company	Real Estate Expense	Rev Alloc 4-1	Gas - 160 Main Ave S / #6397230001-Sep
3812	10/04/2018	350.63	Living Earth	Real Estate Expense	Rev Alloc 4-1	Mowing - 122 4th Ave S / #25775-Aug
3812	10/04/2018	350.63	Living Earth	Real Estate Expense	Rev Alloc 4-1	Mowing - 122 4th Ave S / #25891-Sep
3813	10/04/2018	127.50	Lorrie Bauer	Prof. Dev.\Training	General	ICCTFOA Conference expenses / 20180918-22
3814	10/04/2018	450.00	Lytle Signs, Inc.	DT Art	Rev Alloc 4-1	Commons - Plaque Reinstall (statue) / #SC17984
3815	10/04/2018	124.68	The Gyros Shop	Meeting Expense	Rev Alloc 4-1	Lunch for 9/1/18 Meeting / #dmQk
3816	10/04/2018	215.58	Times News	Legal Expense	General	Notice of Public Hearing - Budget / #72733
3817	10/04/2018	2,299.65	Windsor's Nursery	Main Ave.	Rev Alloc 4-1	Landscaping for Planters / #Est-472



Date: Monday, October 8, 2018
To: Urban Renewal Agency of the City of Twin Falls
From: Nathan Murray, Executive Director

ACTION ITEM

Request:

Consideration of a request to approve an agreement between the Urban Renewal Agency of the City of Twin Falls, Idaho, and Elam and Burke for legal services.

Time Estimate:

N/A

Background:

Throughout the history of the urban renewal in Twin Falls, legal services have been provided to the Agency as a part of the management agreement between the Agency and the City. In essence, the City Attorney has served as the Agency attorney. The Agency has been well served by the City Attorney over the years.

With the recent retirement of the City Attorney, and no replacement having been hired to-date, and an uncertainty as to whom may fill the position, the Twin Falls Urban Renewal Agency is in need of legal services for FY 2018-19.

For FY 2016-17, when the Twin Falls Urban Renewal Agency had many two-party agreements between the City and the Agency, the Agency secured the legal services of Elam and Burke to assist us through the construction of Main Avenue. The Agency was served well by Elam and Burke during that time and our agreement was terminated with completion of the Main Avenue Project.

In the current situation where the Agency lacks formal legal representation, and considering the number of significant projects we anticipate in the coming year, it would be important to have the expertise of a firm like Elam and Burke to assist the Agency. Furthermore, we already have a working relationship with them and they are very familiar with Twin Falls.

As was the case last time, no formal process is required to retain legal counsel so we requested a proposal for services. You will find that engagement letter attached for your review. Approval of this agreement will allow a formal attorney/client relationship to be established, providing independent legal counsel to the Agency.

Approval Process:

A majority vote by the Board would authorize signature approval of the engagement letter.

Budget Impact:

Resources funding legal services will need to happen by a budget amendment in the amount of \$30,000.

Regulatory Impact:

N/A

Conclusion:

Staff recommends the Board approve the agreement with Elam and Burke and authorize the Board Chair to execute the document.

Attachments:

1. 20181003 Elam & Burke Engagement Letter

RYAN P. ARMBRUSTER
MEGHAN S. CONRAD

251 East Front Street, Suite 300
Post Office Box 1539
Boise, Idaho 83701
Telephone 208 343-5454
Fax 208 384-5844
E-mail rpa@elamburke.com
msc@elamburke.com

October 3, 2018

Urban Renewal Agency of the City of Twin Falls
c/o Nathan Murray
nmurray@tfid.org

Re: Engagement of Elam & Burke, P.A. as Special Counsel
for the Urban Renewal Agency of the City of Twin Falls

Dear Nathan:

Elam & Burke, P.A. ("Firm") appreciates the opportunity to provide special legal services to the Urban Renewal Agency of the City of Twin Falls ("Agency") in connection with specific questions or tasks the Agency may have from time to time. The purpose of this letter is to propose the Firm's agreement with the Agency concerning the performance of legal services and the payment of legal fees.

The Agency seeks to retain the Firm to act as special counsel and to provide guidance at the request of the Agency on matters and projects pertaining to the Agency. Should this engagement arrangement be acceptable, the Agency will pay the firm an hourly rate of \$250 per hour for Ryan Armbruster, \$225 per hour for Meghan Conrad, \$200 per hour for Matt Parks, and \$100 for paralegal services. These rates are subject to change after reasonable notice. We will also bill you for office expenses such as postage, printing, and travel expense charges.

Unless directed otherwise, the Firm will bill the Agency on a monthly basis for all attorney and/or paralegal time expended on the assigned legal work. This will include, among other things, time spent in appointments, meetings, telephone calls, and consulting with others. The Firm will work with you to prepare either a comprehensive legal services budget or budgets for specifically assigned matters.

The Agency will agree to pay the bill within thirty (30) days of receipt. The Firm reserves the right to charge a late payment charge on any past due account at the rate of one percent (1.5%) per month (eighteen percent (18%) per year).

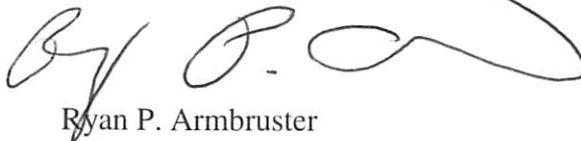
As we understand the arrangement, the Firm would solely provide assistance as directed by the Agency through you and/or the Agency Chair. Assigned tasks should be defined specifically in a written scope of work signed by you and/or the Agency Chair. An equivalent email may provide the same direction. The Firm will not be designated as general counsel or expected to provide advice on the day-to-day management or overall compliance activities such as preparation of the required annual budget and annual report. Additionally, the Firm will not be expected to prepare what is commonly referred to as legal counsel's auditor's response letter. Finally, the Firm is not expected to be involved in preparation of agendas or meeting notice in compliance with the open meeting law or be involved with public record compliance or response unless specifically directed.

If this letter accurately expresses the Legal Services Agreement, and if this proposal meets with your approval, please arrange for the Agency Chair to sign below and return me via email.

Please call me if you have any questions about anything contained in this letter. Thank you for considering us for this assignment. We enjoy working with you and the Agency.

Sincerely,

ELAM & BURKE
A Professional Association



Ryan P. Armbruster



Meghan S. Conrad

RPA/MSK/ksk

APPROVED AND ACCEPTED This ____ day of _____ 2018.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

By _____
Chair



Date: Monday, October 8, 2018
To: Urban Renewal Agency of the City of Twin Falls
From: Nathan Murray, Executive Director

ACTION ITEM

Request:

Consideration of a request to make a 'Finding of Necessity' to amend the boundaries of the Urban Renewal Agency of Twin Falls.

Time Estimate:

N/A

Background:

In June, 2018, the TFURA discussed the need to remove a portion of the area boundary that includes the C3 Building and Concept 91 project development near the area of Pole Line Road and Blue Lakes. This area was included within the area boundary in December, 2001, by way of amendment to the Agency's original plan. As this is no longer a project area for the TFURA, and there are other areas within the City of Twin Falls that have higher need for redevelopment, the Board discussed making a comprehensive review of the area boundary and making necessary changes to eliminate some areas while adding others.

Later, at the August board meeting, when discussing possible areas for deletion or inclusion, it was recommended that we take a tour of these areas to get a better feel for their development potential, and to further identify their value to the community.

In September, the TFURA Board toured these areas, including the West Addison Corridor where we received updates from Twin Falls County Commissioner Don Hall regarding the County West Facility and related developments. We then toured properties in the southwest quadrant of the city.

It should also be noted that several months ago, staff was approached by the Community Council of Idaho to consider extending the URA Boundary further south along Washington Blvd. to include the development formerly known as 'El Milagro'. The request was in anticipation of their interest to redevelop the site. At the time of our initial discussion, the Twin Falls Urban Renewal Agency had no plans to amend the boundary.

Approval Process:

Should the TFURA Board desire to amend the plan, they must make a 'Finding of Necessity' per Idaho Code Section 50-2005, and recommend to the Municipal Council that (1) one or more deteriorated or deteriorating areas as defined in this act exist in the identified area; (2) the rehabilitation, conservation, redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such municipality; and (3) there is need for an urban renewal agency to function within the area.

For clarification, a "deteriorated area" means an area in which there is a predominance of buildings or

improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

A “deteriorating area” means an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

Budget Impact:

There is no budget impact associated with the Board’s approval of this request. The impact results if and when a new revenue allocation area is established.

Regulatory Impact:

N/A

Conclusion:

Included within the proposed boundary are multiple areas that qualify as deteriorating. The section of U.S. Highway 30 known as Addison Avenue West, between Washington Street North and Martin Street, has had 900% more calls for service to the police over the last 12 months than a comparable section of Addison Avenue East located between Blue Lakes Blvd. and Morningside Drive. Furthermore, there are six motels along this stretch of Addison West that serve as extended stay, transient lodging. These hotels have reported 41 violent crimes in the last 12 months. These locations are detrimental to overall public health and safety with such a high crime rate.

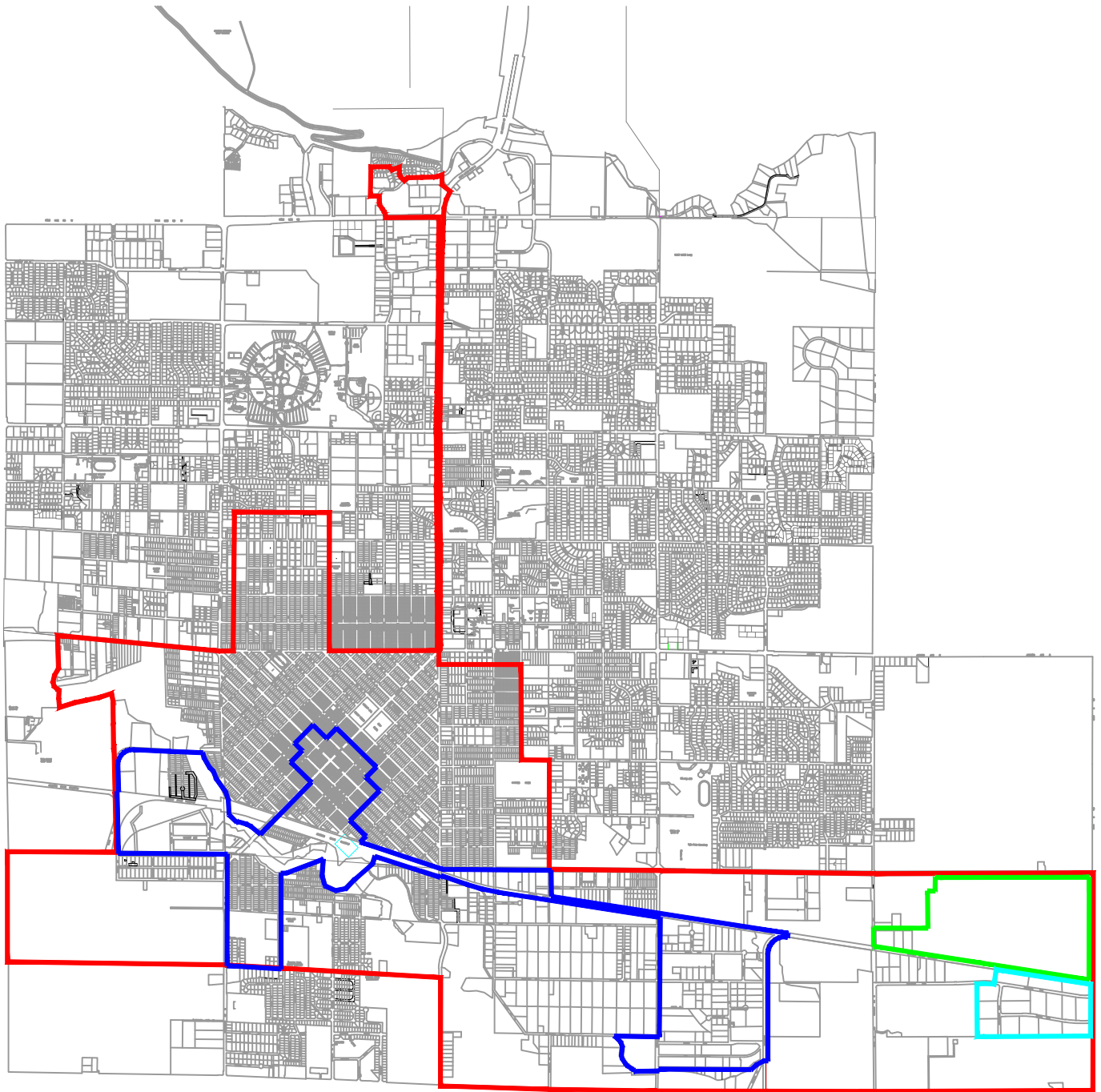
Martin Street is a local two-way road, approximately 38-feet wide, that services a high volume of traffic between Filer and Addison around the Twin Falls County Office Complex. This inadequate street layout is leading to unsafe and deteriorating conditions. In addition, lack of quality access to Rock Creek in this area leads to underutilization of open space and unsafe recreational amenities.

The site known as El Milagro is a 40 acre area along Washington Street South historically used as a migratory worker labor camp. The non-profit agency who owns the property is completely redeveloping the entire site as the housing and other structures on the land is substandard and in disrepair. As existing, the housing is a danger and unfit for occupancy.

Staff recommends that the Board make a ‘Finding of Necessity’ based on the conclusion that one or more areas within the amended boundaries are deteriorating and forward a positive recommendation to the Municipal Council to amend the TFURA Area Boundary.

Attachments:

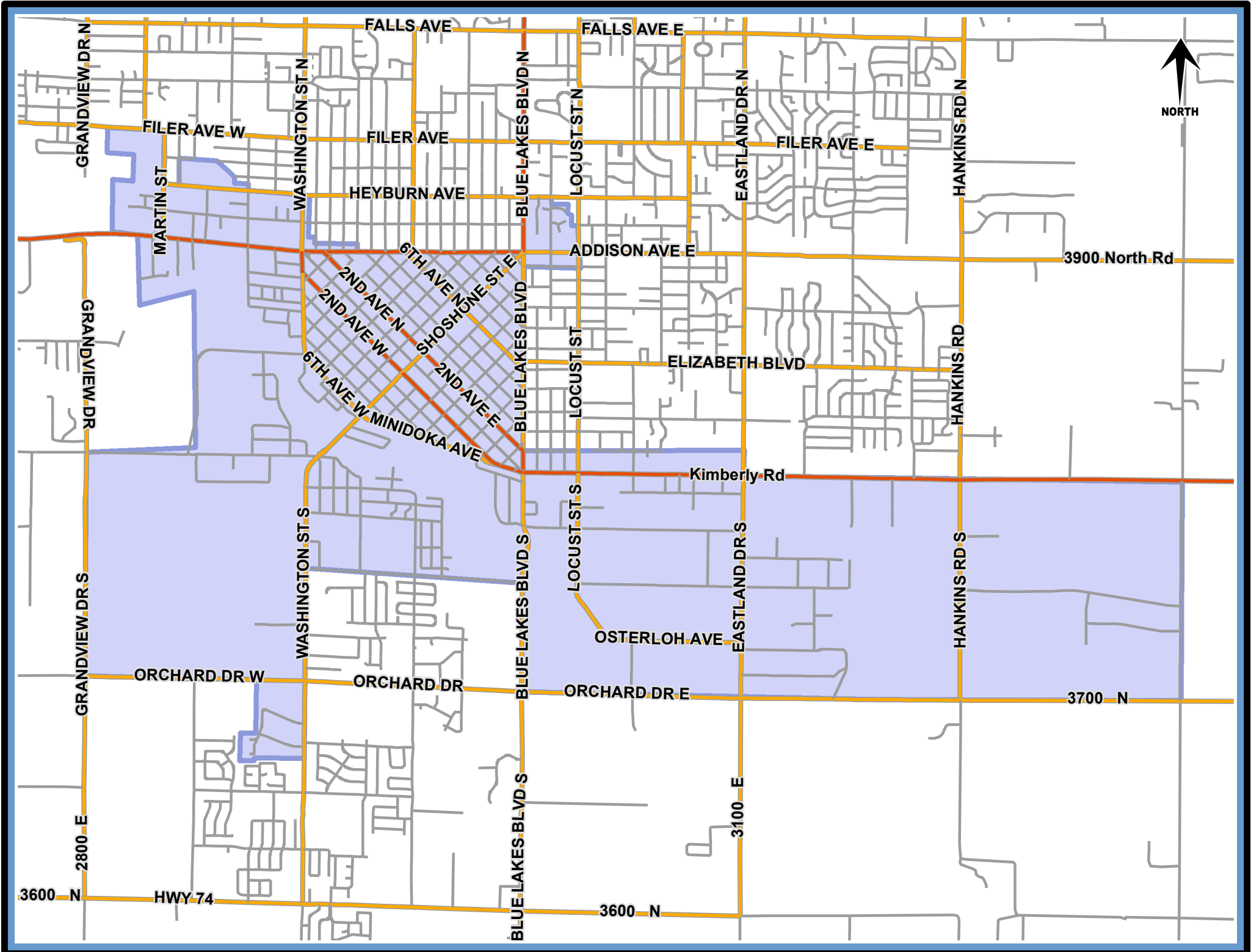
1. Current URA Map
2. Proposed URA Boundary Map



*URBAN RENEWAL AGENCY OF THE
CITY OF TWIN FALLS, IDAHO*



<i>LEGEND</i>	
	URBAN RENEWAL AREA #4
	REVENUE ALLOCATION AREA #4-1
	REVENUE ALLOCATION AREA #4-3
	NEW REVENUE ALLOCATION AREA #4-4





Date: Monday, October 8, 2018
To: Urban Renewal Agency of the City of Twin Falls
From: Nathan Murray, Executive Director

ACTION ITEM

Request:

Consideration of a request to approve a Quit Claim Deed to transfer 219 Shoshone Avenue North from the Twin Falls Urban Renewal Agency to Historic Ballroom, LLC.

Time Estimate:

N/A

Background:

In August, 2017, the Twin Falls Urban Renewal Agency entered into an agreement with The Historic Ballroom Building, LLC to assist with renovation and redevelopment of certain public spaces directly adjacent to and affecting a project at 205 Shoshone Street North.

The nature of the agreement was that The Historic Ballroom Building, LLC would spend a minimum of \$3.5m to renovate and restore the building located at 205 Shoshone Street North in exchange for the TFURA spending a maximum of \$350k to assist with the improvement of public utilities including the reconstruction of a failing section of sidewalk. The agreement also included the transfer of property owned by the TFURA at 219 Shoshone Street North to the developer with restrictions limiting use of the property for ground-level parking/dining and basement access.

The developer has spent the minimum amount to rehabilitate the building and the TFURA has spent the maximum amount on public utilities. The attached Quit Claim Deed transfers the property owned by the TFURA at 219 Shoshone Street North to The Historic Ballroom Building, LLC.

Approval Process:

A majority vote of the Board would authorize signature approval of the attached Quit Claim Deed.

Budget Impact:

There is no fiscal impact with signing the attached deed.

Regulatory Impact:

N/A

Conclusion:

Staff recommends the Board approve the document and authorize the Board Chair to execute the deed.

Attachments:

1. 2017-09 REVISED Ballroom-DA
2. Quit Claim Deed 2018

DEVELOPMENT AGREEMENT

This Development Agreement (“**Agreement**”) is entered into by and between the Urban Renewal Agency of the City of Twin Falls, Idaho, an independent public body corporate and politic (“**URA**”), and The Historic Ballroom Building, LLC, (“**Developer**”).

RECITALS

WHEREAS, URA, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, as amended and supplemented; and,

WHEREAS, Developer is planning to redevelop the property at 205 Shoshone Street North, Twin Falls, Idaho (“**Project**”), a building in located in downtown Twin Falls listed on the National Historic Registry; and,

WHEREAS, Developer has requested assistance from the URA to renovate and redevelop certain public spaces directly adjacent to and affecting the Project; and,

WHEREAS, URA has agreed that the redevelopment of the Project is integral to the growth and development objectives of the URA and the City of Twin Falls, and has expressed an interest in supporting the Project; and,

WHEREAS, the Project is located within the URA’s Urban Renewal Area (“**Area**”), and the Development of the Site in accordance with the goals and objectives of URA will enhance and revitalize the Urban Renewal Area and the downtown area; and,

WHEREAS, the proposed Project has met the standards of the City of Twin Falls Historic Preservation Commission and the goals and objectives of the URA; and,

WHEREAS, the Project will generate additional revenue allocation proceeds to URA; and,

WHEREAS, the Developer has provided documentation that it has obtained the financing commitments necessary to complete its obligations under this Agreement, and,

WHEREAS, as a result of Developer’s commitment to proceed with the construction of the Project and URA’s commitment to help in the redevelopment of the adjoining property and public right of way, the parties desire to enter into this Agreement to define their respective obligations.

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement, and other good and valuable considerations, the Parties hereby agree as follows:

AGREEMENT

1. DEVELOPER'S OBLIGATIONS

The Developer agrees to spend a minimum of \$3.5 Million to fulfill its obligations under this Agreement:

- A. Developer shall purchase the building Project site located at 205 Shoshone Street North and legally described as Lots 29-32, Block 71, Twin Falls Townsite, Twin Falls County, Idaho.
- B. Developer shall restore the exterior of the building in accordance with the requirements of the Twin Falls Historical Preservation Commission.
- C. Developer shall renovate the interior of the building to provide for restaurant, retail and office space, which renovation will bring an estimated 65 jobs during construction and 65 new jobs on site after stabilization.
- D. Upon receipt of title from URA for the adjoining real property at 219 Shoshone Street North and legally described as Lot 28, Block 71, Twin Falls Townsite, Twin Falls County, Idaho, (as provided for below), Developer shall construct improvements for parking and/or outside dining to serve the Project.

2. URA'S OBLIGATIONS

The URA agrees to spend a maximum of \$350,000 to fulfill its obligations under this Agreement, in the following order of priority. The URA's obligations under this agreement shall end when the \$350,000 expenditure limit has been reached, whether or not all parts of the URA's obligations as set forth below have been completed:

- A. The URA shall purchase Lot 28, Block 71, Twin Falls Townsite, Twin Falls County, Idaho, for the appraised value of \$120,000.
- B. The URA shall redevelop the property by demolition of the building and backfilling the existing basement, to provide for a construction ready site, and
- C. The URA shall transfer the redeveloped lot to the Developer, with restrictions limiting use of the property for ground-level parking/dining and basement access.
- D. Public utilities including water, sewer and power shall be replaced/improved to provide needed services for the Project.
- E. The URA shall redevelop the curb, gutter and sidewalk adjoining the Project on Shoshone Street North and 2nd Avenue North, to generally conform to the "look and feel" of the current Downtown Renaissance Project on Main Avenue. The parties understand that there are voids under the sidewalk encroaching from the Project basement under the sidewalk along Shoshone Street North. The redevelopment of the curb, gutter and sidewalk will include any needed retaining wall and engineered backfill to prepare the right of way for development of the curb, gutter and sidewalk.

- F. The URA shall pay for any landscaping costs associated with the redevelopment of the sidewalk areas along Shoshone Street and 2nd Avenue North, including but not limited to; trees, planters, irrigation, benches, bike racks.
- G. Pending approval from the City of Twin Falls, the URA shall redevelop the alley adjoining the Project that runs between 2nd Avenue North and the alley running parallel to 2nd Avenue North to be used as a pedestrian-only corridor. The redevelopment of the alley will include any needed surface improvements to manage surface drainage paving and bollards to prevent unauthorized vehicular traffic.
- H. The URA shall pay for any design/engineering needed for the redevelopment of the curb, gutter and sidewalk, and alley.
- I. The URA shall pay for the demolition, retaining wall, and backfill associated with the removal of the basement access to 205 Shoshone Street on 2nd Avenue North.
- J. The URA shall pay for the retaining wall and structural support to allow for a portion of the basement from the removed building at 219 Shoshone Street to be reused for basement access to 205 Shoshone Street.

3. POST CLOSING COVENANTS

Developer shall commence construction of the Development on the Site promptly after Closing Date. If Developer fails to commence construction of the Development within one hundred eighty (180) days after the Closing Date, or if Developer does not complete construction within 365 days of commencing construction, Developer shall refund to the URA the full amount that the URA has expended in fulfilling its obligations under this Agreement.

4. MISCELLANEOUS

A. Attorney's Fees. In any controversy relating to this Agreement, the prevailing party shall be awarded its attorney fees and costs (including, but not limited to, the costs for arbitrator(s), mediator(s) and expert witnesses) in any proceeding brought in a court of law, arbitration, and/or mediation, including any bankruptcy or appeal proceeding.

B. Partial Invalidity. In the event any portion of this Agreement or part hereof shall be determined invalid, void or otherwise unenforceable, the remaining provisions hereunder, or part thereof, shall remain in full force and effect, and shall in no way be affected, impaired or invalidated thereby, it being understood that such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void or unenforceable provision or part thereof.

C. Paragraph Headings. The paragraph headings of this Agreement are for clarity in reading and are not intended to limit or expand the contents of the respective paragraphs.

D. Time of the Essence. Time is specifically declared to be of the essence for this Agreement.

E. Amendments. This Agreement may not be amended, modified, altered or changed in any respect whatsoever, except by further agreement duly executed by the parties hereto.

F. Survival of Provisions. Each covenant, condition, warranty and representation herein made shall survive the closing and not merge into the closing documents. All provisions which are to be performed or applied to circumstances subsequent to closing shall likewise survive the closing.

If the Warranty Deed and this Agreement conflict in any manner, the terms of the Warranty Deed shall control.

G. Binding Effect. This Agreement shall be binding upon the heirs, estates, personal representatives, successors and assigns of the parties hereto.

H. Parties' Further Assurance. The parties each for themselves do further covenant to the other to execute any and all other documents which may be necessary to affect the conveyances contemplated by this Agreement.

IN WITNESS THEREOF, the effective date of this Agreement shall be the date when this Agreement has been signed by all of the parties.

For URA:

Aug 31, 2017

Urban Renewal Agency of the City of Twin Falls

By: 

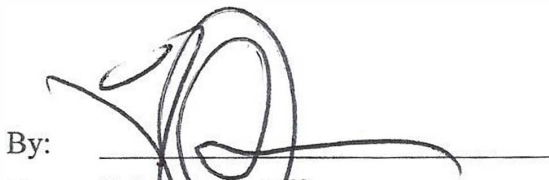
Name: Daniel B. Brizee

Its: Chairman

For Developer:

Sept 8, 2017

The Historic Ballroom Building, LLC

By: 

Name: Tyler Davis-Jeffers

Its: Member

TitleFact, Inc.
163 Fourth Avenue North
P.O. Box 486
Twin Falls, Idaho 83303

**** SPACE ABOVE FOR RECORDER ****

QUITCLAIM DEED

For Value Received **TWIN FALLS URBAN RENEWAL AGENCY, an independent public body, corporate and politic, who acquired title as Urban Renewal Agency of the City of Twin Falls, an independent public body, corporate and politic** does hereby convey, remise and forever quit claim unto **THE HISTORIC BALLROOM BUILDING, LLC., an Idaho Limited Liability Company** whose address is: P.O. Box 2871, Ketchum, Idaho 83340, the following described premises, with restrictions limiting use of the property for ground-level parking/dining and basement access, to-wit:

Lot 28, Block 71, **TWIN FALLS TOWNSITE**, Twin Falls County, Idaho, according to the official plat thereof recorded in Book 1 of Plats, page 7, records of Twin Falls County, Idaho,

together with their appurtenances.

Dated: October 8, 2018

TWIN FALLS URBAN RENEWAL AGENCY

By: _____
Dexter Ball, Chair

* * * * *

STATE OF IDAHO
County of Twin Falls

On this _____ day of October, 2018, before me, the undersigned, Notary Public in and for said State, personally appeared Nathan Murray, known or identified to me to be the Executive Director for the Urban Renewal Agency of the City of Twin Falls, Idaho, and known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same as Executive Director on behalf of the Urban Renewal Agency of the City of Twin Falls, Idaho.

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

Notary Public for Idaho
Residing at: Twin Falls
My Commission expires:



Date: Monday, October 8, 2018
To: Urban Renewal Agency of the City of Twin Falls
From: Nathan Murray, Executive Director

ACTION ITEM

Request:

Consideration of a request to pay \$65,000 to Manaus, LLC for the completion of repairs following the termination of lease for 1851 Fillmore Avenue.

Time Estimate:

N/A

Background:

In December, 2002, the Twin Falls Urban Renewal Agency entered into an agreement with the Manaus Group to lease property at 1851 Fillmore to fulfill a parking requirement related to the lease of TFURA owned property at 851 Pole Line Road to Dell Computer for use as a customer service call center.

In December, 2017, the TFURA sold the property it owned at 851 Pole Line Road and terminated its lease with the Manaus Group for the parking lot at 1851 Fillmore. A condition of the lease with the Manaus Group states that "Upon termination of this lease for any reason, including the expiration of the lease terms, the leased premises shall be surrendered and returned to the lessor in good condition and repair."

The Manaus Group began notifying the TFURA in summer, 2017, of this obligation when the agency began marketing the property sale. The Manaus Group began asking the TFURA to overlay the existing parking lot with new asphalt at an estimated cost of \$108,000.00.

The TFURA disagreed with this request and we counter offered to crack seal, fog coat, and re-stripe the lot for an estimated cost of \$23,000.00.

After several months of negotiation, in August 2018, staff sent a letter (see attached) requesting permission from the Manaus Group to access the site and perform rehab work on the parking lot to restore it to good condition and repair. In September, legal counsel from the Manaus Group countered offering to accept a full settlement of \$65,000.00 and to perform repairs itself (see attached).

Approval Process:

A majority vote of the Board would authorize payment to the Manaus Group.

Budget Impact:

\$65,000.00 from the Twin Falls Urban Renewal Agency General Fund.

Regulatory Impact:

N/A

Conclusion:

After consulting with legal counsel and considering the agency's obligation to restore the lot to good condition and repair, staff is recommending that the Board accept the settlement offer with the condition that the Manaus Group sign a release (see attached) relinquishing the TFURA of any further maintenance obligations for the parking lot.

Attachments:

1. 20180822 Offer Letter to Manaus
2. 20180907 Manaus Counter Letter
3. Manaus Release



P.O. Box 1907

Twin Falls, Idaho 83303-1907

Fax: (208) 736-2296

OFFICE OF ECONOMIC DEVELOPMENT

nmurray@tfid.org

208-735-7240

August 22, 2018

Gerald Martens
621 N. College Rd., Ste 100
Twin Falls, ID 83301

Re: 1851 Fillmore St (C-3 Overflow Parking)

Dear Mr. Martens,

I received your letter dated July 12, 2018, in which you provided bids for seal coating the above referenced parking area. I also acknowledge that you do not recommend proceeding with these bids, at this time, without a performance warranty from these companies which they are not willing to provide.

Given the current state of the parking lot, however, the Urban Renewal Agency desires to proceed with the work of repairing existing cracks, cleaning and re-sealing the entire lot, and restriping the parking per city code. Our office will handle the repairs and payments for the work if you will allow us access to the property.

Since time is of the essence, we can begin the work immediately. Refusing to let us rehab the property may result in a continuing decline of its condition. It should be noted that the parking lot is in worse condition now than it was eight months ago when we terminated our lease. (see attached photos dated October, 2017, versus August, 2018.)

We feel that this satisfies the obligation of our previous lease agreement which stated that, *"Upon termination of this lease for any reason, including the expiration of the lease terms, the leased premises shall be surrendered and returned to the lessor in good condition and repair."*

Please let me know if this is acceptable to your other partners. Thank you for your consideration in the matter.

Sincerely,

Nathan Murray
Executive Director-
Twin Falls Urban Renewal Agency
208-735-7240

Robertson & Slette, p.l.l.c.

J. EVAN ROBERTSON
GARY D. SLETTE

ATTORNEYS AT LAW



134 Third Avenue East
P.O. BOX 1906
TWIN FALLS, IDAHO 83303-1906
TELEPHONE (208) 933-0700
FAX (208) 933-0701

J. EVAN ROBERTSON
erobertson@rsidaholaw.com

September 7, 2018

Nathan Murray
Executive Director
Twin Falls Urban Renewal Agency
208-735-7240
nmurray@tfid.org

RE: **1851 Fillmore St. (C-3 Overflow Parking)**

Dear Nathan:

I received a copy of your letter to Gerald Martens dated August 22 concerning Urban Renewal's proposal to repair the C-3 overflow parking lot at 1851 Fillmore St. pursuant to the obligations contained in Section 5 of the 2002 lease of that property from Manaus, LLC, which states: "Upon the termination of this Lease for any reason, including the expiration of the lease term, the Leased Premises shall be surrendered and returned to the Lessor in good condition and repair."

While not related to the physical condition of the parking lot, I, as a member of Manaus, LLC, who owns the parking lot but not the C-3 Building, would like to mention the fact that the lease of the parking lot expired December 31, 2017, but Urban Renewal nevertheless "subleased" it to C-3 through July, 2020. Obviously, this resulted in an awkward situation, where Manaus, LLC continues to be saddled with real property taxes on it, and because of the improper sublease is unable to lease or sell it to a third-party until 2020. I raise this issue at the time in hopes we can come to a solution on all matters related to the Urban Renewal's lease of the parking lot.

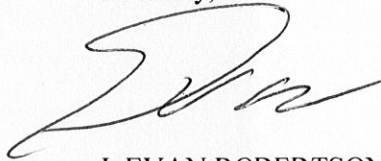
After a review and discussion of both of these issues the owners of the overflow parking lot, Manaus LLC has the following counter to the proposal contained in your letter:

1. We feel the proposed "repairing existing cracks, cleaning and re-sealing the entire lot and restriping the parking per city code" falls a bit short of the obligation to surrender the parking lot in good condition and repair. Gerald Martens who is certainly well versed in parking lot construction, maintenance and repair, concurs, and has prepared what he believes would be a fair compromise, which is set out in detail in **Exhibit "A"** attached.

2. In an effort to remain on amicable terms with Twin Falls Urban Renewal Agency, Manaus LLC will, in the event the Agency agrees to either of the options contained in Exhibit "A" hereto, waive any claims it may otherwise have arising from the Urban Renewal Agency's subletting of the property to C-3 beyond the term of its lease from Manaus LLC, which expired at the end of 2017.

We shall await your response and sincerely hope we can reach an acceptable settlement.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Evan Robertson", with a stylized, flowing script.

J. EVAN ROBERTSON

EXHIBIT "A"

C-3 Overflow Parking lot Repair Proposal

Due to the total deferral of maintenance on the Parking Lot over the past 15 years the following, at a minimum, is necessary to return it to acceptable conditions:

A. Urban Renewal Agency shall complete the following.

1. Patch all areas that have port holes and settlement.
2. Fill all cracks with elastic crack filler
3. Apply a two-coat, squeegee spread seal coat to entire parking lot
4. Restripe entire parking stalls.
5. Repeat steps 1-4 in one year.

The estimated cost for which is sixty five thousand dollars (\$65,000).

B. In the alternative, the parking lot would probably be better served by applying a two (2) inch plant mix overlay which would cost approximately One Hundred Thirty Thousand Dollars (\$13,000) and consequently Manaus is willing, in full settlement of this issue, to accept the sum of Sixty Five Thousand Dollars (\$65,000) from the Urban Renewal Agency, and complete the repairs itself.

Release

This Release is executed this ____ day of October, 2018, by Manaus, LLC, an Idaho limited liability company (Manaus).

WHEREAS, Manaus and the Urban Renewal Agency of the City of Twin Falls entered into a Lease Agreement dated December 31, 2002, for the lease of certain real property in Tract E of the Amended Breckenridge Estates Subdivision for use as a remote parking lot; and,

WHEREAS, The Lease Agreement terminated on December 31, 2017; and,

WHEREAS, Paragraph 5 of the Lease Agreement provides that upon the termination of the Lease ... the Leased Premises shall be surrendered and returned to the Lessor in good condition and repair; and,

WHEREAS, In lieu of actual repairs, Manaus has agreed to accept a money payment for satisfaction of the requirement that the Leased Premises shall be surrendered and returned to the Lessor in good condition and repair.

NOW, THEREFORE, Manaus, LLC, in consideration of payment to it by the Urban Renewal Agency of the City of Twin Falls the sum of Sixty Five Thousand Dollars (\$65,000.00), receipt of which is acknowledged, do/does hereby release, acquit, indemnify and forever discharge the Urban Renewal Agency of the City of Twin Falls, Idaho, and its representatives, agents, employees, and insurers, of and from any and all claims, demands, actions and causes of action, judgments, costs, attorney fees, damages, both known and unknown, of which the undersigned has or may hereafter have, on account of, or in any way arising out of the December 31, 2002 Lease Agreement between the parties and the condition of the Leased Premises to Manaus on surrender.

The undersigned further states that it executes this Release this ____ day of October, 2018.

Manaus, LLC

by _____
Managing Member