THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Agenda

Monday, March 11, 2019, 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) **ACTION ITEM:** Request to approve 1) Minutes for February 11, 2019 meeting; 2) February 2019 Financial Report; 3) March 2019 Accounts Payable.

      By: Lorrie Bauer, Secretary

4) Reports/Updates

   a) **INFORMATIONAL:** Executive Director's Report

      By: Nathan Murray, Executive Director

5) Items of Consideration

   a) **ACTION ITEM:** Presentation and Request for Approval of the FY2018 Audited Financial Statements.

      By: Scott Hunsaker of Mahlke Hunsaker & Co.

   b) **ACTION ITEM:** Presentation of the 2018 Annual Report followed by a Request for Public Comment and Request to Approve Resolution #2019-02 authorizing the filing of the 2018 Annual Report for the Urban Renewal Agency of the City of Twin Falls.

      By: Nathan Murray, Executive Director

   c) **ACTION ITEM:** Request to Approve an Economic Feasibility Study and Eligibility Report in regards to a potential revenue allocation area.

      By: Phil Kushlan, Kushlan Associates

   d) **ACTION ITEM:** Consideration of a request to approve a Memorandum of Understanding between the Urban Renewal Agency of Twin Falls and the City of Twin Falls to execute design contracts for development near Washington Street South and Park Avenue.

      By: Nathan Murray, Executive Director

e) **ACTION ITEM:** Consideration of a repeal to the proposal by Summit Creek Capital to develop property owned by the Urban Renewal Agency of Twin Falls at 160 Main Avenue South.

By: Nathan Murray, Executive Director

6) General Input/Announcements - Public/Staff

7) Upcoming Meeting(s)

a) Monday, April 8, 2019 @ 12:00 p.m.

8) Adjournment

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

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Minutes

Monday, February 11, 2019, 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, Perri Gardner, Cindy Bond, Andy Hohwieler, Doug Vollmer, Rudy Ashenbrener
Absent:	Suzzane Cawthra
Staff Present:	Nathan Murray, Executive Director; Brent Hyatt, Assistant Finance Officer; Lorrie Bauer, Secretary; Jesse Schuerman, Engineer; Jonathan Spendlove, Planning and Zoning Director; Nikki Boyd, City Council Liaison; Don Hall, County Commissioner.

Chairman Ball called the meeting to order at 12:06 PM. A quorum was present.

2) Consideration of Amendment(s) to the Agenda
None

3) Consent Calendar

a) Request to approve 1) Minutes for January 14, 2019 meeting; 2) Minutes for January 25, 2019 special meeting; 3) January 2019 Financial Report; 4) February 2019 Accounts Payable.
MOTION: Cindy Bond moved to approve the consent calendar. Perri Gardner seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

4) Reports/Updates

a) Executive Director's Report
160 Main Avenue = Per conversation with the developer, they still do not have any type of secured financing for the project but are currently working with MoFi's new market tax credit program. The developer has been invited to the March 11th meeting to present sound numbers on how the project construction will be financed and other project information. If that information is not presented, it may be time to explore other options and reach out to other developers as we've been working towards this project for a year and still have no contract. Discussion ensued.

Downtown Commons - Shade option = Last year there were many requests for shade and options have been explored. Nathan shared photos of one that would be appropriate. It is an attractive 10' tall structure that is movable and has a heavy duty base. The quote for five structures was $27,195. They would be available during the summer activities and stored during the winter. He asked for direction from the board. Discussion ensued. Concerns included visibility of the stage, wind, and moveability. Nathan will gather a few scenarios and bids for the next meeting for further discussion.

Downtown Traffic Study = With the completion of recent improvements, Nathan would like to have a traffic study completed to get a picture of where we're at in terms of parking and traffic. Community Builders, a planning agency that operates off grants, helps communities solve specific problems. He would like to apply for assistance to help us develop a downtown housing plan. In a past conversation with Community Builders about our traffic issues, areas in need of improvement would be the way the 2nds function through our downtown and some of the parking. Their suggestion was to do a study related to a downtown master plan with housing and parking. This option will be discussed with our engineering and planning staff to decide what a good course of action would be. Update and discussion will be scheduled at a later date

5) Items of Consideration

a) Consideration to adopt Resolution 2019-01 approving guidelines for public records per Idaho Code § 74-119.
Nathan explained the request. This resolution establishes guidelines under the public records act for the Agency per Idaho Code Section § 74-119.
MOTION: Perri Gardner moved to adopt the resolution. Andy Hohwieler seconded the motion. Roll call vote showed all members present voted. Approved 6 to 0.

b) Consideration to accept a response to a previously issued Request for Proposal to purchase a vacant parcel of ground owned by the Urban Renewal Agency of the City of Twin Falls.
Showing a diagram of the parcel, Nathan shared that Electric One West, of 268 Victory Avenue, responded to our request for proposal to purchase the Agency owned vacant parcel generally located at 282 Victory Avenue, #RPT00107171841A . The proposal response is to purchase the parcel for $100 and build an addition in two phases with Phase 1 being a 5,000 s.f. building to house a shop area and offices and Phase 2 being 1,600 s.f. for warehousing and storage for vehicles and equipment. Electric One West estimates $687,000 in improvements. Nathan recommended selling them the parcel with a condition they must first obtain all the necessary permits and approvals prior to transfer of ownership. Discussion ensued. Conditions for sale to include having the purchaser pay for any needed surveys and assessments and add the statement "sold as is".
MOTION: Cindy Bond moved to accept the offer with contingency language and include that the property is sold as is. Rudy Ashenbrener seconded the motion. Roll call vote showed all members present voted. Approved 5 to 1 with Doug Vollmer voting no.

6) General Input/Announcements - Public/Staff

Brent Hyatt reminded the board that Chobani appealed the valuation of their properties and received an approximate 40% reduction. Due to lesser funds, there is not enough money to make the bond payment by April 1st with just the first half property tax payment. A meeting with Chobani has been scheduled to discuss the bond payment requirement.

7) Upcoming Meeting(s)

a) Monday, March 11, 2019 @ 12:00 p.m.

8) Adjournment

The meeting adjourned at 12:40 PM.

Lorrie Bauer, Recording Secretary

Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss
February 2019

		Feb 19
Ordinary Income/Expense		
Income		
Investment Income		9,898.34
Other Income		1,000.00
Property Taxes		61,154.75
Rental Income		1,333.34
Total Income		73,386.43
Gross Profit		73,386.43
Expense		
RAA 4-1		
City Property Exp.	1,175.41	
160 Main Ave S. (Youth Ranch)	170.62	
Main Ave.	14,006.54	
Total RAA 4-1		15,352.57
Bond Trustee Fees		3,000.00
Debt Payments - Interest		70,294.05
Legal Expense		1,154.25
Meeting Expense		108.55
Prof. Dev.\Training		89.00
Professional Fees		1,700.00
Total Expense		91,698.42
Net Ordinary Income		-18,311.99
Net Income		**-18,311.99**

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October 2018 through February 2019

	Oct '18 - Feb 19	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Bank Bond Proceeds	0.00	0.00	0.00	0.0%
Investment Income	45,843.79	52,000.00	-6,156.21	88.2%
Other Income	6,100.00			
Property Taxes	4,088,615.39	9,523,022.00	-5,434,406.61	42.9%
Rental Income	6,666.69	15,996.00	-9,329.31	41.7%
Total Income	4,147,225.87	9,591,018.00	-5,443,792.13	43.2%
Gross Profit	4,147,225.87	9,591,018.00	-5,443,792.13	43.2%
Expense				
RAA 4-1				
City Property Exp.	48,110.08			
160 Main Ave S. (Youth Ranch)	4,343.23			
Shoshone St/2nd Ave N	0.00			
Main Ave.				
DT Art	0.00			
Main Ave. - Other	77,139.30			
Total Main Ave.	77,139.30			
RAA 4-1 - Other	0.00	1,919,320.00	-1,919,320.00	0.0%
Total RAA 4-1	129,592.61	1,919,320.00	-1,789,727.39	6.8%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	0.00	1,691,212.00	-1,691,212.00	0.0%
Debt Pay. (Chobani) Principal	0.00	3,590,984.00	-3,590,984.00	0.0%
Total RAA 4-3 (Chobani)	0.00	5,282,196.00	-5,282,196.00	0.0%
Bond Trustee Fees	3,000.00	5,000.00	-2,000.00	60.0%
Bonding Costs	0.00	0.00	0.00	0.0%
Community Relations & Website	0.00	500.00	-500.00	0.0%
Debt Payments - Interest	70,294.05	901,702.00	-831,407.95	7.8%
Debt Payments - Principal	0.00	2,855,000.00	-2,855,000.00	0.0%
Dues and Subscriptions	3,250.00	4,500.00	-1,250.00	72.2%
Insurance Expense	0.00	6,700.00	-6,700.00	0.0%
Legal Expense	4,532.05	15,000.00	-10,467.95	30.2%
Management Fee	0.00	208,000.00	-208,000.00	0.0%
Meeting Expense	605.81	2,500.00	-1,894.19	24.2%
Miscellaneous	0.00	500.00	-500.00	0.0%
Office Expense	350.00	500.00	-150.00	70.0%
Prof. Dev.\Training	229.00	2,500.00	-2,271.00	9.2%
Professional Fees	1,700.00	10,000.00	-8,300.00	17.0%
Property Tax Expense	0.00	0.00	0.00	0.0%
Real Estate Exp. - Call Center	0.00	18,100.00	-18,100.00	0.0%
Real Estate Expense	37.00	29,000.00	-28,963.00	0.1%
Real Estate Lease	0.00	0.00	0.00	0.0%
Total Expense	213,590.52	11,261,018.00	-11,047,427.48	1.9%
Net Ordinary Income	3,933,635.35	-1,670,000.00	5,603,635.35	-235.5%
Other Income/Expense				
Other Income				
Transfers In	0.00	257,804.00	-257,804.00	0.0%
Transfers Out	0.00	-257,804.00	257,804.00	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	**3,933,635.35**	**-1,670,000.00**	**5,603,635.35**	**-235.5%**

Twin Falls Urban Renewal March 2019 Accounts Payable

Check #	Date	Paid Amount	Name	Account	Fund	Memo
3885	02/20/2019	10,888.50	Washington Federal	Debt Payments - Interest	Rev Alloc 4-1	Interest payment on #4603726
3886		-	VOID			
3887		-	VOID			
3888	02/21/2019	59,405.55	Washington Federal	Debt Payments - Interest	Rev Alloc 4-1	Interest on #4647541
3889	03/07/2019	7,417.51	City of Twin Falls	City Property Exp.	Rev Alloc 4-1	Utilities & Expenses 101.00.00.136.00 / 2019-02
3889	03/07/2019	51.75	City of Twin Falls	160 Main Ave S. (Youth Ranch)	Rev Alloc 4-1	160 Main Ave S - Water & Sewer / #130529-2019-02
3890		-	VOID			
3891	03/07/2019	6,425.50	Elam & Burke	Legal Expense	Rev Alloc 4-1	Professional fees for December / #177647
3892	03/07/2019	72.00	Happy Housekeepers	City Property Exp.	Rev Alloc 4-1	Commons - Restroom Cleanup / #88310
3892	03/07/2019	72.00	Happy Housekeepers	City Property Exp.	Rev Alloc 4-1	Commons - Restroom Cleanup / #88382
3892	03/07/2019	72.00	Happy Housekeepers	City Property Exp.	Rev Alloc 4-1	Commons - Restroom Cleanup / #88451
3892	03/07/2019	72.00	Happy Housekeepers	City Property Exp.	Rev Alloc 4-1	Commons - Restroom Cleanup / #88525
3893	03/07/2019	274.46	Idaho Power	City Property Exp.	Rev Alloc 4-1	122 4th Ave S - Power / #2228-2019-02
3893	03/07/2019	117.41	Idaho Power	City Property Exp.	Rev Alloc 4-1	129 Hansen St E - Power / #0226-2019-02
3893	03/07/2019	11.60	Idaho Power	160 Main Ave S. (Youth Ranch)	Rev Alloc 4-1	160 Main Ave S - Power / #9168-2019-02
3894	03/07/2019	9.79	Intermountain Gas Company	160 Main Ave S. (Youth Ranch)	Rev Alloc 4-1	160 Main Ave S - Gas / #6397230001-2019-02
3895	03/07/2019	-	Kimberly Nurseries			Snow and Ice Removal
3895	03/07/2019	810.50	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	Idaho & 3rd Snow/Ice Removal 20190210 / #14186
3895	03/07/2019	209.00	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	5th Ave S Snow/Ice Removal 20190210 / #14224
3895	03/07/2019	228.20	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	Main Ave Intrsctns Snow/Ice Removal 20190210 / #14223
3895	03/07/2019	810.50	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	Idaho & 3rd Snow/Ice Removal 20190217 / #14286
3895	03/07/2019	134.84	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	5th Ave S Snow/Ice Removal 20190217 / #14317
3895	03/07/2019	263.55	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	Main Ave Intrsctns Snow/Ice Removal 20190217 / #14316
3895	03/07/2019	315.00	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	Idaho & 3rd Snow/Ice Removal 20190220 / #14375
3895	03/07/2019	200.75	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	5th Ave S Snow/Ice Removal 20190220 / #14382
3895	03/07/2019	319.80	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	Main Ave Intrsctns Snow/Ice Removal 20190220 / #14373
3895	03/07/2019	495.50	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	Idaho & 3rd Snow/Ice Removal 20190221 / #14392
3895	03/07/2019	266.00	Kimberly Nurseries	Real Estate Expense	Rev Alloc 4-1	5th Ave S Snow/Ice Removal 20190221 / #14391
3896	03/07/2019	97.95	PMT	City Property Exp.	Rev Alloc 4-1	Commons - Broadband Services / #858403-2-2019-02
3897	03/07/2019	134.85	Scooters Chillin N Grillin	Meeting Expense	General	Lunch for 20190211 Meeting / #17
3898	03/07/2019	4,265.57	Windsor's Nursery	City Property Exp.	Rev Alloc 4-1	DT Commons Holiday Décor / #2730
3899	03/07/2019	100.00	Division of Building & Safety	160 Main Ave S. (Youth Ranch)	Rev Alloc 4-1	2019 Annual Certification Fee-Elevator / #M000772

RECREATION TODAY
OF IDAHO, LLC
Our Project Is Your
PLAYGROUND

Recreation Today
2414 E Railroad Street
Nampa ID 83687
Office 208 442-9350
Toll 800 481-8705
Fax 208 442-9351
customerservice@rectoday.net

Quote

Date	Quote #
11/26/2018	18693

Customer Billing Information

City of Twin Falls
Parks & Rec
136 Maxwell Ave
Twin Falls ID 83301

Ship To Location

Receiving Parks & Rec
136 Maxwell Avenue
Twin Falls, ID 83301
Attn: Rich Bay 208.420.4161

Project/Job	Payment Terms	Rep	State
	50% Deposit	KNH	ID

Qty	Description	Unit Price	Amount
1	Quotation Summary:		0.00
5	SRP - PRU1010 - 10' Portable Cantilever Umbrella Color:TBD	4,999.00	24,995.00
1	Freight Charges (Subject to Change) valid for 30 days for quote date	2,200.00	2,200.00

All Pricing Good for 30 Days.
Final payment on all equipment and freight due prior to delivery or installation.
Licenses: ID REC-31831 - OR 212128 - WA RECRETI84500

Subtotal	$27,195.00
Sales Tax (6.0%)	$0.00
Total	$27,195.00

~This "Quotation becomes a Sales Agreement and Contract only upon receipt by Merchant prior to expiration date of the signed copy by fax, mail, or hand delivery accompanied with a deposit in the amount shown above. Public entities may provide a Purchase Order in Lieu of a deposit.
~Payment of any amount invoiced is due upon delivery to the site, storage area or Merchants Storage yard: all payments are due at Merchant's address in Nampa Idaho as shown above. A finance charge of 1.5% per month will be charged on any unpaid balance which become past due with a minimum finance charge of $1.00.
~Sales/Use Tax will be charged unless buyer provides a State of Idaho Tax Exemption Certificate at the time the order is placed.
~Applicable Manufacture's warranties apply on all products delivered. No additional warranties, express or implied, by Merchant or otherwise shall be in effect.

~Merchant disclaims all warranties express or implied including, but not limited to the implied warranties of merchantability and fitness for a particular purpose.
~Merchant will not be responsible for delays or damages due to government actions, state of war, civil unrest, strikes, and delays in production, delays by carriers, acts of god, or other causes beyond the control of the Merchant.
~This Agreement shall be governed by the laws of the State of Idaho. Merchant may subcontract or delegate its duties of performance to any reasonably qualified party. Signatures hereafter constitute an agreement to the terms and conditions as noted above.

Accept this quotation, sign and return:______________________________ Date:____________________

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

AUDITED FINANCIAL STATEMENTS
September 30, 2018

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

Table of Contents

February 25, 2019

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, 2018, 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, 2018, 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.

www.m-hcpa.com | 208.734.2077| 201 Canyon Crest Drive, Suite 100, Twin Falls, ID 83301

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 February 25, 2019, 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

Mahlke Hunsaker & Company pllc
www.m-hcpa.com | 208.734.2077| 201 Canyon Crest Drive, Suite 100, Twin Falls, ID 83301

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Statement of Net Position
September 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 6,043,324	$ 65,000	$ 6,108,324
Receivables:			
Property taxes	40,743	-	40,743
Other governments	1,219	-	1,219
Real estate	3,640,735	-	3,640,735
Total Assets	$ 9,726,021	$ 65,000	$ 9,791,021
Liabilities			
Pooled Cash Deficit	$ -	$ -	$ -
Accounts payable	91,484	65,000	156,484
Accrued interest	2,344,701	-	2,344,701
Development Agreement	10,234,049	-	10,234,049
Project Improvement Reimbursement Agreement	4,608,873	-	4,608,873
Noncurrent liabilities			
Due to other governments	5,000,000	-	5,000,000
Due within one year	3,221,000	-	3,221,000
Due in more than one year	42,483,000	-	42,483,000
Total Liabilities	67,983,107	65,000	68,048,107
Net Position			
Net investment in capital assets	(56,906,187)	-	(56,906,187)
Restricted for:			
Debt service	2,694,287	-	2,694,287
Redevelopment	772,522		772,522
Unrestricted	(4,817,708)	-	(4,817,708)
Total Net Position	(58,257,086)	-	(58,257,086)
Total Liabilities and Net Position	$ 9,726,021	$ 65,000	$ 9,791,021

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, 2018

		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	$ 372,707	$ -	$ -	$ -	$ (372,707)	$ -	$ (372,707)
Community development	6,775,032	-	-	374,466	(6,400,566)	-	(6,400,566)
Interest on long-term debt	3,183,393	-	-	-	(3,183,393)	-	(3,183,393)
Total Governmental Activities	10,331,132	-	-	374,466	(9,956,666)	-	(9,956,666)
Business-Type Activities:							
Rental property	240,961	71,189	-	-	-	(169,772)	(169,772)
Total Business-Type Activities	240,961	71,189	-	-	-	(169,772)	(169,772)
Total Primary Government							
General Revenues and Transfers:							
Taxes:							
Property taxes, levied for general tax increment purposes					9,772,099	-	9,772,099
Other income and sale of assets					150,060	-	150,060
Investment income		-			111,706	-	111,706
Loss on sale of assets					-	(2,575,137)	(2,575,137)
Transfers					2,570,883	(2,570,883)	-
Contribution of Assets to the City of Twin Falls					(21,053,053)	-	(21,053,053)
Total General Revenues and Transfers					(8,448,305)	(5,146,020)	(13,594,325)
Changes in Net Position					(18,404,971)	(5,315,792)	(23,720,763)
Net Position, October 1, 2017					(39,852,115)	5,315,792	(34,536,323)
Net Position, September 30, 2018					$ (58,257,086)	$ -	$ (58,257,086)

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, 2018

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 2,488,550	$ 860,487	$ 2,694,287	$ 6,043,324
Property tax receivable	-	40,743	-	40,743
Due from other governments	-	1,219	-	1,219
Total Assets	$ 2,488,550	$ 902,449	$ 2,694,287	$ 6,085,286
Liabilities				
Pooled Cash Deficit	$ -	$ -	$ -	$ -
Accounts payable	343	91,141	-	91,484
Total Liabilities	343	91,141	-	91,484
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	38,786	-	38,786
Fund Balances				
Restricted fund balance:	-	772,522	2,694,287	3,466,809
Unrestricted fund balance:				-
Committed fund balance	-		-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	2,488,207	-	-	2,488,207
Total Fund Balances	2,488,207	772,522	2,694,287	5,955,016
Total Liabilities and Fund Balances	$ 2,488,550	$ 902,449	$ 2,694,287	$ 6,085,286

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, 2018

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	$ -	$ 6,117,053	3,722,995	$ 9,840,048
Investment income	60,951	11,749	39,002	111,702
Other income	150,000	60	-	150,060
Grant income	-	-	255,444	255,444
Total Revenues	210,951	6,128,862	4,017,441	10,357,254
Expenditures				
Current				
General government and administration	222,332	151,054	-	373,386
Area development and improvements	-	11,274,853	-	11,274,853
Real estate expense	-	11,950	-	11,950
Debt service				
Principal	-	3,926,182	1,943,004	5,869,186
Interest and other charges	-	167,285	2,071,897	2,239,182
Total Expenditures	222,332	15,531,324	4,014,901	19,768,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,381)	(9,402,462)	2,540	(9,411,303)
Other Financing Sources (Uses)				
Transfers in (out)	2,570,883	-	-	2,570,883
Construction advances	-	4,680,565	-	4,680,565
Contributions	-	119,022	-	119,022
Total Other Financing Sources (Uses)	2,570,883	4,799,587	-	7,370,470
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,559,502	(4,602,875)	2,540	(2,040,833)
Fund Balances - Beginning of Year	(71,295)	5,375,397	2,691,747	7,995,849
Fund Balances - End of Year	$ 2,488,207	$ 772,522	$ 2,694,287	$ 5,955,016

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, 2018

Governmental Fund Balances	$	5,955,016
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		3,640,735
Prepaid expenses are not a financial resource and therefore not reported in the governmental funds		-
Certain property tax collections are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds		38,786
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		(67,891,623)
Total Net Position of Governmental Activities	$	(58,257,086)

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, 2018

Net Change in Fund Balances - Total Governmental Funds	$	(2,040,833)
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		(67,948)
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets		6,876,101
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		(951,125)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:		
Change in prepaid expenses		(18,000)
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		(4,680,565)
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		3,530,452
Changes in Net Position of Governmental Activities	$	(18,404,971)

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, 2018

		Rental Activity
Assets		
Cash and cash equivalents	$	65,000
Total Assets	$	65,000
Liabilities		
Accounts Payable	$	65,000
Total Liabilities		65,000
Net Position		
Net Investment in capital assets		-
Restricted		-
Unrestricted		-
Total Net Position		-
Total Liabilities and Net Position	$	65,000

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, 2018

	Rental Activity
Operating Revenues	
Rental income	$ 71,189
Total Operating Revenues	71,189
Operating Expenses	
Depreciation	16,129
Property taxes	109,505
Real estate expense	115,327
Total Operating Expenses	240,961
Operating Income (Loss)	(169,772)
Non-Operating Revenues (Expenses)	
Loss on sale of fixed assets	(2,575,137)
Total Non-Operating Revenues (Expenses)	(2,575,137)
Income (Loss) before Transfers	(2,744,909)
Transfers in (out)	(2,570,883)
Change in Net Position	(5,315,792)
Net Position - Beginning of Year	5,315,792
Net Position - End of Year	$ -

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, 2018

		Rental Activity
Cash Flows from Operating Activities		
Receipts from customers	$	71,927
Payments to suppliers		(162,581)
Net Cash Provided (Used) by Operating Activities		(90,654)
Cash Flows from Non-Capital Financing Activities		
Transfers in (out)		(2,570,883)
Net Cash Provided (Used) by Non-Capital Financing Activities		(2,570,883)
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets		-
Proceeds from sale of assets		2,044,350
Net Cash Provided (Used) by Capital and Related Financing Activities		2,044,350
Net Increase (Decrease) in Cash and Cash Equivalents		(617,187)
Cash and Cash Equivalents - Beginning of Fiscal Year		682,187
Cash and Cash Equivalents- End of Fiscal Year	$	65,000
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$	(169,772)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation		16,129
(Increase) decrease in		
Interest income receivable		738
Increase (decrease) in		
Accounts payable		62,251
Net Cash Provided (Used) by Operating Activities	$	(90,654)

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:

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

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

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

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, 2018, the Debt Service Fund exceeded appropriations in the amount of $196,273, and the Proprietary Fund exceeded appropriations in the amount of $5,020,829.

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, 2018 is as follows.

Cash in bank	$	67,688
State Investment Pool		1,919,018
Money-market bond funds		4,121,618
Total Cash & Cash Equivalents	$	6,108,324
Cash on the financial statements	$	6,108,324
Funds with pooled cash deficits		-
Total Cash & Cash Equivalents	$	6,108,324

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.

4. *TAXES RECEIVABLE AND UNAVAILABLE REVENUE* - continued
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 2018.

5. CAPITAL ASSETS

A summary of activity in the general fixed for the Agency for the year ended September 30, 2018, was as follows:

	Balance, September 30, 2017	Additions	Deletions or Transfers	Balance, September 30, 2018
Governmental Activities:				
Construction in Progress	$ 18,541,554	$ 3,054,215	$ (21,595,769)	$ -
Land and Buildings	2,621,783	1,018,952	-	3,640,735
	$ 21,163,337	$ 4,073,167	$ (21,595,769)	$ 3,640,735
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	$ 600,453	$ 14,046	$ (614,499)	$ -
Equipment	445,833	2,083	(447,916)	-
Total	$ 1,046,286	$ 16,129	$ (1,062,415)	$ -

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, 2018 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%.	$13,275,000
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%	1,037,000
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 6.318%. Repayment of the bonds is guaranteed by Chobani Global Holding, Inc.	26,769,000
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%.	4,623,000
Total	$ 45,704,000

6. LONG-TERM DEBT – continued

Expected annual maturities of these obligations are as follows:

Year		Total	Interest	Principal
September 30, 2019		$ 5,772,613	$ 2,551,613	$ 3,221,000
September 30, 2020		5,725,763	2,396,763	3,329,000
September 30, 2021		5,667,765	2,236,765	3,431,000
September 30, 2022		6,597,636	2,071,636	4,526,000
September 30, 2023		4,276,433	1,876,433	2,400,000
2024-2028		20,277,839	7,105,839	13,172,000
2029-2033		15,803,689	2,793,689	13,010,000
2034-2036		2,878,450	263,450	2,615,000
	Total	$ 67,000,188	$ 21,296,188	$ 45,704,000

The Agency is also indebted to Chobani Idaho, LLC. The Agency entered into a Projects Improvements Reimbursement Agreement on May 9, 2016, to reimburse cost incurred by Chobani to construct certain Project Improvements authorized by the Development Agreement, including site remediation, a water storage tank and a wastewater equalization tank. At September 30, 2018, the Agency was indebted in the amount of $4,608,873. 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, 2018, the Agency was indebted in the amount of $10,234,049.

The Agency is also indebted to the City of Twin Falls. The Agency entered into an agreement on April 10, 2017 to purchase a parcel of real property, including a wastewater treatment facility. The property was then transferred to Con Agra. At September 30, 2018, the Agency was indebted in the amount of $5,000,000. The obligation bears no interest and requires repayment as incremental tax revenue from Revenue Allocation Area 4-1 becomes available and full repayment prior to the area's closure.

6. LONG-TERM DEBT – continued

Changes in Long-Term Debt

During the year ended September 30, 2018, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2017	Additions	Repayments	Balances, September 30, 2018
Revenue Allocation Bonds, Series 2013A	28,069,000	-	1,300,000	26,769,000
Revenue Allocation Bonds, Series 2015A-Tax Exempt	1,235,000	-	198,000	1,037,000
Revenue Allocation Bonds, Series 2015C-Taxable	5,500,000	-	877,000	4,623,000
Revenue Allocation Bonds, Series 2016	13,670,000	-	395,000	13,275,000
Total Revenue Bonds	48,474,000	-	2,770,000	45,704,000
Chobani Idaho, LLC-Projects Improvements Reimbursement Agreement	2,982,151	4,484,818	2,858,097	4,608,872
Clif Bar-Development Agreement	10,286,307	195,746	248,004	10,234,049
City of Twin Falls Agreement	6,000,000	-	1,000,000	5,000,000
Total Agreements	19,268,458	4,680,564	4,106,101	19,842,921
Total	$ 67,742,458	$ 4,680,564	$ 6,876,101	$ 65,546,921

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. *MANAGEMENT AGREEMENT*

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

8. CONTINGENT LIABILITY

The County's assessed valuation of property in Revenue Allocation Area 4-3 was challenged by the primary taxpayer (Chobani) in court, for a previous year. The County and the taxpayer have reached a tentative agreement which will probably impact the Agency and require it to reimburse the County the taxes deemed to be inappropriately collected for that year. Any agreement still needs to be approved by the Judge. The amount in question approximates $2,500,000. The parties are still "finalizing the refund methodology" and seeking judicial confirmation.

The taxpayer has benefited from the issuance of bonds by the Agency in the past for public infrastructure improvements and the property taxes received from the taxpayer are dedicated to repayment of those bonds. The Agency and the taxpayer have an agreement in place which requires the taxpayer to make up any shortage should the Agency not collect enough property taxes to make the bond payment in any given year.

9. *COMMITMENTS AND SUBSEQUENT EVENTS*

The Agency has evaluated subsequent events through February 25, 2019, the date which the financial statements were available to be issued.

10. *BOND COVENANT COMPLIANCE*

The Agency is subject to various covenants as a result of the various bonds issued by the Agency. During the year ended September 30, 2018, 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, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Investment Income	$ 12,000	$ 12,000	$ 60,951	$ 48,951
Other income	-	-	150,000	150,000
Total Revenues	12,000	12,000	210,951	198,951
Expenditures				
Current				
General government	264,450	264,450	222,332	42,118
Total Expenditures	264,450	264,450	222,332	42,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	(252,450)	(252,450)	(11,381)	241,069
Other Financing Sources (Uses)				
Transfers in (out)	282,450	282,450	2,570,883	2,288,433
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 30,000	$ 30,000	2,559,502	$ 2,529,502
Fund Balance - Beginning of Year			(71,295)	
Fund Balance - End of Year			$ 2,488,207	

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, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 6,508,334	$ 6,508,334	$ 6,117,053	$ (391,281)
Investment income	3,000	3,000	11,749	8,749
Other Income	-	-	60	60
Total Revenues	6,511,334	6,511,334	6,128,862	(382,472)
Expenditures				
Current				
General government and administration	150,000	150,000	151,054	(1,054)
Area development and improvements	7,310,000	7,310,000	11,274,853	(3,964,853)
Real estate expense	12,000	12,000	11,950	50
Debt service				
Principal	5,136,334	5,136,334	3,926,182	1,210,152
Interest and other charges	179,527	179,527	167,285	12,242
Total Expenditures	12,787,861	12,787,861	15,531,324	(2,743,463)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,276,527)	(6,276,527)	(9,402,462)	(3,125,935)
Other Financing Sources (Uses)				
Contributions	-	-	119,022	119,022
Construction advances	-	-	4,680,565	4,680,565
Issuance of debt	(2,800,000)	(2,800,000)	-	2,800,000
Transfers in (out)	200,000	200,000	-	(200,000)
Total Other Financing Sources (Uses)	(2,600,000)	(2,600,000)	4,799,587	7,399,587
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (8,876,527)	$ (8,876,527)	(4,602,875)	$ 4,273,652
Fund Balance - Beginning of Year			5,375,397	
Fund Balance - End of Year			$ 772,522	

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, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 2,566,666	$ 2,566,666	$ 3,722,995	$ 1,156,329
Investment income	-	-	39,002	39,002
Grant income	-	-	255,444	255,444
Total Revenues	2,566,666	2,566,666	4,017,441	1,195,331
Expenditures				
Debt service				
Principal	1,300,000	1,300,000	1,943,004	(643,004)
Interest and other charges	1,323,297	1,323,297	2,071,897	(748,600)
Total Expenditures	2,623,297	2,623,297	4,014,901	(1,391,604)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,631)	(56,631)	2,540	(196,273)
Other Financing Sources (Uses)				
Issuance of Debt	-	-	-	-
Transfers in (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(56,631)	(56,631)	2,540	(196,273)
Fund Balance - Beginning of Year			2,691,747	
Fund Balance - End of Year			$ 2,694,287	

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, Expenses, and Changes in Fund Net Position - Budget and Actual

For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues				
Rental income	$ 440,487	$ 440,487	$ 71,189	$ (369,298)
Total Operating Revenues	440,487	440,487	71,189	(369,298)
Expenses				
Current				
Depreciation	-	-	16,129	(16,129)
Property taxes	125,600	125,600	109,505	16,095
Real estate lease	124,000	124,000	-	124,000
Real estate expense	153,400	153,400	115,327	38,073
Total Expenditures	403,000	403,000	240,961	162,039
Operating Income (Loss)	37,487	37,487	(169,772)	(207,259)
Non-Operating Revenues (Expenses)				
Loss on sale of fixed assets	-	-	(2,575,137)	(2,575,137)
Total Non-Operating Revenues (Expenses)	-	-	(2,575,137)	(2,575,137)
Income (Loss) Before Transfers	37,487	37,487	(2,744,909)	(2,782,396)
Transfers in (out)	(332,450)	(332,450)	(2,570,883)	(2,238,433)
Change in Net Position	(294,963)	(294,963)	(5,315,792)	(5,020,829)
Net Position - Beginning of Year			5,315,792	
Net Position - End of Year			$ -	

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, 2018

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Funds
Assets				
Cash and cash equivalents	$ 381,488	$ 375,919	$ 103,080	$ 860,487
Property tax receivable	40,743	-	-	40,743
Due from other governments	1,219	-	-	1,219
Total Assets	$ 423,450	$ 375,919	$ 103,080	$ 902,449
Liabilities				
Accounts payable	$ 91,141	$ -	$ -	$ 91,141
Total Liabilities	91,141	-	-	91,141
Deferred Inflows of Resources				
Unavailable revenue-property taxes	38,786	-	-	38,786
Fund Balances				
Restricted fund balance:	293,523	375,919	103,080	772,522
Unrestricted fund balance:				
Committed fund balance	-	-		-
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	-	-	-
Total Fund Balances	293,523	375,919	103,080	772,522
Total Liabilities and Fund Balances	$ 423,450	$ 375,919	$ 103,080	$ 902,449

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, 2018

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Fund
Revenues				
Property taxes	$ 2,740,926	$ 3,376,127	$ -	$ 6,117,053
Investment income	-	6,967	4,782	11,749
Other Income	60	-	-	60
Total Revenues	2,740,986	3,383,094	4,782	6,128,862
Expenditures				
Current				
General government and administration	803	150,000	250	151,053
Area development and improvements	6,770,036	4,484,818	20,000	11,274,854
Real estate expense	11,950	-	-	11,950
Debt service				
Principal	1,075,000	2,851,182	-	3,926,182
Interest and other charges	167,285	-	-	167,285
Total Expenditures	8,025,074	7,486,000	20,250	15,531,324
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,284,088)	(4,102,906)	(15,468)	(9,402,462)
Other Financing Sources (Uses)				
Construction advances	-	4,484,818	195,747	4,680,565
Contributions	119,022	-	-	119,022
Total Other Financing Sources (Uses)	119,022	4,484,818	195,747	4,799,587
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,165,066)	381,912	180,279	(4,602,875)
Fund Balance - Beginning of Year	5,458,589	(5,993)	(77,199)	5,375,397
Fund Balance - End of Year	$ 293,523	$ 375,919	$ 103,080	$ 772,522

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, 2018

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Funds
Assets				
Cash and cash equivalents	$ -	$ 2,693,747	$ 540	$ 2,694,287
Total Assets	$ -	$ 2,693,747	$ 540	$ 2,694,287
Liabilities				
Accounts Payable	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-
Fund Balances				
Restricted fund balance:	-	2,693,747	540	2,694,287
Unrestricted fund balance:				-
Committed fund balance	-	-	-	-
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	-	-	-
Total Fund Balances	-	2,693,747	540	2,694,287
Total Liabilities and Fund Balances	$ -	$ 2,693,747	$ 540	$ 2,694,287

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, 2018

	Area 4-1	Area 4-3	Area 4-4	Total Debt Service Fund
Revenues				
Property taxes	$ -	$ 2,584,322	$ 1,138,671	$ 3,722,993
Investment income	-	38,975	29	39,004
Grant income	-	-	255,444	255,444
Total Revenues	-	2,623,297	1,394,144	4,017,441
Expenditures				
Current				
Debt service				
Principal	-	1,300,000	643,004	1,943,004
Interest and other charges	-	1,323,297	748,600	2,071,897
Total Expenditures	-	2,623,297	1,391,604	4,014,901
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,540	2,540
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	2,540	2,540
Fund Balance - Beginning of Year	-	2,693,747	(2,000)	2,691,747
Fund Balance - End of Year	$ -	$ 2,693,747	$ 540	$ 2,694,287

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, 2018, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated February 25, 2019.

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
February 25, 2019

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, March 11, 2019

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray, Executive Director

ACTION ITEM

Request:

Presentation of the 2018 Annual Report followed by a Request for Public Comment and Request to Approve Resolution #2019-02 authorizing the filing of the 2018 Annual Report for the Urban Renewal Agency of the City of Twin Falls.

Time Estimate:

N/A

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 an opportunity for public comment. Once the public comment opportunity has been provided, the Board should consider the attached Resolution 2019-02 which transmits the Annual Report to the City Council.

Once forwarded to the City Council, a legal notice will 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 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.

Regulatory Impact:

N/A

Conclusion:

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

Attachments:

1. 2018 TFURA Annual Report 20190307 v.1
2. Resolution #2019-02 - v.1

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

2018 Annual Report

Board of Commissioners

January – June 2018

Dan Brizee - Chair
Dexter Ball – Vice Chair
Neil Christensen – Secretary
Perri Gardner
Rudy Ashenbrener
Suzzane Cawthra
Cindy Bond

July – December 2018

Dexter Ball - Chair
Perri Gardner – Vice Chair
Rudy Ashenbrener
Suzzane Cawthra
Cindy Bond
Doug Vollmer
Andy Hohwieler

Staff

Nathan Murray - Executive Director
Lorrie Bauer - Administrative
Jesse Schuerman - Engineer
Brent Hyatt - Finance

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

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

Agency Activities for 2018

160 Main Avenue S

In January, the Urban Renewal Agency of the City of Twin Falls (the "Agency") purchased the property at 160 Main Ave South in Downtown Twin Falls. The 25,000 sq. ft. building, originally built as the Idaho Department Store, had been for sale for over a year and was falling into disrepair. The Agency deemed the property as a strategic site because of its location across from City Hall and the Downtown Commons, and elected to purchase the building with the intent to redevelop the lot to include housing.

In February, the Agency issued a request for proposals to develop the site and in April the Agency met to select a response.

Summit Creek Capital was selected by the Board as the preferred developer of the site and a committee was formed to begin negotiating a development agreement. No construction activity has begun to date, but the proposed development of the site is a 37,000 sq. ft., four-story structure that includes 28-units of residential, an office tenant and ground level retail and restaurant space.

Historic Ballroom

The Historic Ballroom Project at 219 Shoshone Street North, which began in 2017, was substantially completed in 2018 and became the site for a new restaurant and office space in downtown, continuing the momentum that began with the Main Avenue Project. The owners had some delays in the summer months with removing large quantities of rock in the basement area but were on track by the end of the year. The agency spent $386,000 toward public infrastructure to assist the project's completion and support future growth on surrounding properties.

Rock Creek Trail

In March, the City of Twin Falls reached out to the Agency about the possibility of paving a new walking trail on property the Agency owns in Rock Creek Canyon. The property is located adjacent to property owned by the City that was receiving upgrades to utility lines and the repaving of the Rock Creek Trail. The Agency Board elected to take advantage of the costs savings made possible by the City project and spend money to pave an additional quarter-mile of trail in Rock Creek Canyon. Though not a lengthy distance, the new section of trail was positively received by the public and supports the longer-term community goal to extend the trail and improve access along Rock Creek.

Downtown Commons

The seminal moment in 2018 for Twin Falls, and the Agency, was the completion of the Downtown Commons on July 6. The event was marked by a ribbon cutting ceremony and the recognition of several parties involved in planning, designing, and building the new one-quarter acre park on Main Avenue across from the recently completed City Hall.

The Downtown Commons is a key community gathering space for the citizens of Twin Falls with a water fountain for summer activity, an art wall, stage area for performances, and the John Hayes statue completed by local sculptor Dave LaMure.

Downtown Events

Following the completion of Main Avenue in 2017, and the Downtown Commons in 2018, the Community was able to host and support several events that drew thousands of visitors to Downtown Twin Falls.

On July 7, 2018, the 1st Annual Twin Falls-Old Town Criterium bike race, sponsored by Clif Bar, took place along Main Avenue and 2nd Avenue North between Eden and Hansen Streets, attracting participants from across the region. The Twin Falls Tonight Concert Series took its new home on the Downtown Common's stage every Wednesday in the summer months. And, an ice rink was setup in the Commons in late November, which operated through the holiday season.

Downtown also hosted annual parades, including St. Patrick's Day, high school homecomings, Oktoberfest, the Festival of Lights, and saw the return of Crazy Days which all added to the vibrancy of Downtown.

Idaho Grow Smart Award

In November, Idaho Smart Growth awarded the Urban Renewal Agency of the City of Twin Falls a Grow Smart Award, which honors projects throughout the state that exemplify efforts in planning and development that help create great places to live in Idaho. The Agency was awarded for the Main Avenue and Downtown Commons projects which established "more pedestrian-oriented streets and amenities as a magnet for private investment."

Financial Statements

Table 1

Statement of Net Position
As of September 30, 2017 and 2018

	2017	2018	Percentage Change 2017-2018
Current & Other Assets	$ 10,910,590	$ 6,150,286	(44%)
Capital Assets	25,798,953	3,640,735	(86%)
Total Assets	**36,709,543**	**9,791,021**	**(73%)**
Long-term Debt Outstanding	69,136,033	67,891,623	(2%)
Other Liabilities	2,109,833	156,484	(93%)
Total Liabilities	**71,245,866**	**68,048,107**	**(4%)**
Net Investment in Capital Assets	(40,579,121)	(56,906,187)	(40%)
Restricted and Unrestricted	6,042,798	(1,350,899)	(122%)
Total Net Position	**$ (34,536,323)**	**$ (58,257,086)**	**(69%)**

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 increase in total assets can be attributed to activity going on with the construction activity going on around the Downtown Commons and the sale of the C3 building. The Agency has inventoried past project costs and this year contributed the results of the project improvements to the City.

Table 2

Statement of Activities
For Years Ended September 30, 2017 and 2018

	2017	2018	Percentage Change 2017-2018
Charges for Services - Rent	$ 452,148	$ 71,189	(84%)
Property Tax Increment	9,795,235	9,772,099	0%
Capital Contributions	120,000		(100%)
Other Income and Sale of Assets	(5,848,243)	(2,425,077)	59%
Investment Earnings	66,818	111,706	67%
Total Revenue	**4,585,958**	**7,529,917**	**64%**
General Government	412,589	372,707	(10%)
Rental Property Expenses	263,945	240,961	(9%)
Community Development	654,796	27,453,619	4,093%
Interest on Long-Term Debt	2,581,655	3,183,393	23%
Total Expenses	**3,912,985**	**31,250,680**	**699%**
Increase (Decrease) in Net Assets	672,973	(23,720,763)	(3,625%)
Net Position - Beginning	(35,209,296)	(34,536,323)	2%
Net Position - Ending	**$ (34,536,323)**	**$ (58,257,086)**	**(69%)**

Statement of Activities

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

Revenues

The property tax increment was pretty stable and very comparable to last year.

The City sold its “C3” building to the tenant of the property. That transaction created a $2,575,000 loss to the Agency when the proceeds were reduced by the undepreciated value of the land and building. The transaction is included in the Other Income and Sale of Assets category above. The sale also the reduced amount of rent collected for the year.

With the sale of the building and the rental activity of the Agency substantially reduced, the Agency elected to close out the reporting of its rental activity as a separate fund. Going forward any rental activity will be tracked in the General Fund. The residual balance of the Proprietary Fund was transferred to the General Fund to be used for future Agency projects as determined by the Board.

Expenses

The Agency has been involved, for a few years, in the reconstruction of downtown and the Agency has been accumulating those costs. This year the project was completed and the ownership of the public infrastructure improvements has been transferred to the City.

The Agency was also involved developing infrastructure in conjunction with the construction of the new Clif Bar baking facility. The transfer of the accumulated costs of both of those activities to the City is reflected in Community Development expenses of over $27,000,000, as reflected above.

RESOLUTION NO. 2019-02

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 2018 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 2018 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 2018 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, located at City Hall, 203 Main Avenue East, Twin Falls, Idaho."

PASSED BY THE URBAN RENEWAL AGENCY March 11, 2019.
SIGNED BY THE CHAIRMAN March 11, 2019.

____
Dexter Ball, Chairman

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, March 11, 2019

To: Urban Renewal Agency of the City of Twin Falls

From: Phil Kushlan, Kushlan Associates

ACTION ITEM

Request:

Request to Approve an Economic Feasibility Study and Eligibility Report in regards to a potential revenue allocation area.

Time Estimate:

N/A

Background:

Idaho Urban Renewal Law states that a formal Eligibility Study should be conducted for the establishment of new Revenue Allocation Areas so that the local Agency and City Council will consider current information on which to exercise their discretion.

In January 2019, the URA of Twin Falls authorized Kushlan & Associates to perform an Eligibility Report within the vicinity of Washington Street South. The completed report is attached to this staff report and provides important background information on population and growth projections, housing and owner-occupancy rates, and local income earnings versus state-wide statistics. Most importantly, the eligibility report considers these statistics in regards to Idaho Code 50-2018(9), 50-2903(8), and 50-2008(d), which outlines requirements for deteriorated and deteriorating sites and structures which qualify areas for revenue allocation.

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

Based upon Kushlan & Associates review of the data and the conditions that exist within the Study Area, the TFURA and the Twin Falls City Council may, at its discretion, determine that the Washington Street South area is eligible for the establishment of an urban renewal district because of, among other things, the inadequate street layout and faulty layout in relation to size and usefulness of the property, underdevelopment in the area, and impediments to growth.

Agency attorneys have prepared a resolution in case the Board elects to adopt the Eligibility Report and forward it to the Twin Falls Municipal Council.

Approval Process:

A majority vote by the Board would authorize the Chair to sign the resolution and forward the Eligibility Report to the Twin Falls Municipal Council.

Budget Impact:

N/A

Regulatory Impact:

N/A

Conclusion:

Staff recommends adoption of the report.

Attachments:

1. Washington Street So URD Eligibility Report 4826-2798-8360 v.3
2. Washington Street South Eligibility Report Resolution (Agency)

DRAFT

Twin Falls Washington Street South Urban Renewal District

Eligibility Report

Prepared for

The Twin Falls Urban Renewal Agency
March 2019

Kushlan | Associates
Boise, Idaho

Introduction: Kushlan | Associates was retained by the Twin Falls Urban Renewal Agency (the "Agency") to assist them in their consideration of establishing a new urban renewal district in the City of Twin Falls, Idaho (the "City").

The Mayor, with the confirmation of the City Council, has appointed seven members to the Agency Board to guide the development of urban renewal plans and oversee their implementation. The current membership of the Agency Board is as follows:

Chair:	Dexter Ball
Vice Chair	Perri Gardner
Commissioners	Rudy Ashenbrener
	Cindy Bond
	Suzzane Cawthra
	Andy Hohwieler
	Doug Vollmer
Urban Renewal Administrator:	Nathan Murray

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

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

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

In support of that continuing economic vitality of the region, the community turned to the Urban Renewal Law in 1965 with the creation of the Agency by Resolution 909 adopted by the City Council on July 19, 1965. In 1997, the City Council adopted Resolution 1603 that consolidated prior existing urban renewal areas into a new combined Area 4. Subsequent to that action, the City Council established three revenue allocation areas to pursue specific objectives. Those areas are noted below with their expiration dates:

Area 4-1 (Old Towne)	2022
Area 4-3 (Chobani)	2031
Area 4-4 (Clif Bar)	2035

Further industrial development located within the existing urban renewal area has been proposed. However, the required findings regarding deteriorated or deteriorating conditions were last formally analyzed in 1997, and were not applied to the specific properties under review. It has been determined that a formal Eligibility Study as required under Idaho Code should be conducted for this and any future areas that the Agency and City will consider to ensure the decision makers have current information on which to exercise their discretion.

Cities across the nation actively participate in the economic vitality of their communities through investment in infrastructure. Water and sewer facilities as well as transportation and other systems are all integral elements of an economically vital community. Idaho cities have a significant challenge in responding to these demands along with the on-going need to reinvest in their general physical plant to ensure it does not deteriorate to the point of system failure. Idaho cities face stringent constitutional limitations and near total dependence upon legislative action to provide funding. An Idaho city's access to funding sources and the ability to employ effective financing mechanisms such as General Obligation bonding, severely constrain capital investment strategies.

With a difficult approval threshold (66 2/3%) for bond issues, accessing what few tools exist in Idaho cities remains a prudent exercise of the City's fiduciary obligations. The tools made available to cities in Title 50, Chapters 20 and 29, the Urban Renewal Law of 1965 and the Local Economic Development Act, are some of the few that are available. New sources of State support are not likely to become available in the foreseeable future, thus the Agency's interest in exploring the potential for establishing their fourth urban renewal district is appropriate.

Demographics: According to the US Census Bureau, the estimated 2017 population of the City is 49,202 and has grown by 11% since 2010. This is a slightly lower growth rate than that experienced statewide which was 11.9% during that period.

At 28%, the City's percentage of people under 18 years of age exceeds the statewide percentage of 25.8% by 2.2%. The percentage of population under 5 years of age exceeds the statewide figure by 1.1% (7.7% vs. 6.8%). The percentage of the City's population over 65 years of age (13.7%) is less than the statewide percentage (15.4%) by 1.7%. These statistics reflect a population base that is slightly younger than that found statewide.

The population is predominately white at 90.2% as compared to the statewide percentage of 93.2%. The Hispanic population exceeds the statewide percentage by 3.6% (16.1% vs. 12.5%).

Housing units are 61.8% owner-occupied as opposed to the statewide statistic of 69.2%. Median value of owner-occupied housing units is $146,600 as compared to $176,800 statewide. Monthly owner costs with mortgage is $1,079 as compared to the statewide figure of $1,195. Median gross rent in the City is reported as $757 as compared to $792 statewide.

When income statistics are compared to statewide numbers, we see that the population of the City lags the rest of Idaho in these categories as well. The median household income in the City is $46,283, approximately 10% below the statewide figure of $50,985. Per capita monthly income for the City's population is $21,704 as compared to the statewide number of $25,471. The percentage of the City's population below poverty level is 15.7% as compared to the statewide number of 12.8%.

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

Statistics are derived from the latest United States Census Bureau Report.

Steps in Consideration of an Urban Renewal District:

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

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

1. The Presence of a Substantial Number of Deteriorated or Deteriorating Structures; and Deterioration of Site [50-2018(9); and 50-2903(8)(b) and (8)(c); and 50-2008(d)(4)(2)]

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

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

4. Outmoded Street Patterns [50-2008(d)(4)(2)]

5. Need for Correlation of Area with Other Areas of a Municipality by Streets; and Modern Traffic Requirements [50-2008(d)(4)(2)]

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

7. Unsuitable Topography or Faulty Lot Layouts [50-2008(d)(4)(2)]

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

9. Diversity of Ownership [50-2018(9); and 50-2903(8)(b) and (8)(c); and 50- 2008(d)(4)(2)

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

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

12. Conditions Which Retard Development of the Area [50-2008(d)(4)(2)]

13. Results in Economic Underdevelopment of the Area [50-2903(8)(b)]; and Economic Disuse [50-2008(d)(4)(2)]

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

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

The City Council must refer the Urban Renewal Plan to the Planning and Zoning Commission for a finding that the Plan, as presented, is consistent with the City's Comprehensive Plan. At the same time, other taxing entities levying property taxes within the boundaries of the proposed Urban Renewal District are provided a thirty-day opportunity to comment on the Plan to the City Council. While the taxing entities are invited to comment on the Plan, their concurrence is not required for the City Council to proceed with their formal consideration.

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

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

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

The Agency then proceeds to implement the Plan.

Description of the Washington Street South Study Area:

The Study Area subject to the current review (Washington Street South) is located primarily in the south-central part of the City and consists of parcels adjacent or in close proximity to a major north / south arterial, Washington

Street South. The thoroughfare is the primary access to the Twin Falls Regional Airport and, in this section is also designated as Idaho State Highway 74.

According to the records supplied by the Twin Falls County Assessor, the area contains a total of 98.098 acres, excluding public rights-of-way. This area encompasses nine (9) individual tax parcels. The total area is taxable with no properties being exempt from taxation. The majority of the acreage is currently used for agricultural purposes and thus receives an agricultural property tax exemption.

Table 1 reflects the data for each of the 9 tax parcels represented in the Study Area:

Table 1

Tax Parcel	Owner	Acres	Land Value	Improvement Value	Total Value
RPT00107201805A	Johnston, Peter B III	34.64	$113,015	$104,441	$108,300
RPT00107201200A	Johnston, Peter B III	40.61	$108,941	$1,493	$110,434
RPT00107201830A	High Desert RV Park, LLC	0.84	$32,392	$173,463	$205,855
RPT00107201821A	Dermody Family Limited	0.75	$59,983	$593,026	$593,026
RPT00107201811	Dermody Family Limited	1.31	$45,726	$42,760	$88,486
RPT00107201811	Dermody Family Limited	0.484	$39,526	$19,970	$59,496
RPT00107201806	Kathryn & Sole Powers	0.326	$25,808	$259,358	$285,166
RPT00107201801	Kathryn & Sole Powers	0.478	$36,693	$0	$36,693
RPT00107200010A	Glanbia Foods, Inc	18.66	$333,720	$16,698,947	$17,032,667
Total		**98.098**	**$795,804**	**$17,893,458**	**$18,689,262**

Please see the map below for a graphic representation of the Study Area.

Analysis of the Study Area:

The Study Area consists of 9 tax parcels representing 98.098 acres located in the South-central part of the City. It is located generally west of Washington Street South and south of Diamond Avenue West. It is a mixture of commercially and industrially zoned properties. A significant portion of the Study Area (75.25 acres – 76.71%) remains in agricultural uses pending urban level development. These properties appear to enjoy an agricultural exemption for property taxes that will need to be considered if there is a decision to proceed with the development of an urban renewal plan for the area, as consents from these property owners will be required for their inclusion.

A detailed review of the Study Area reflects a pattern of underinvestment and disinvestment over time. Within the Study Area one finds properties where recent investment has been made with either new construction or significant renovation. In these instances one finds a ratio of improvement value to land value of approximately 10:1.

Conversely where one finds improvement values less than land values, the property is either vacant or the structures are generally obsolete. Table 1 above shows that a substantial percentage of the properties located within the Study Area reflects this condition. Two (2) properties representing 75.25 acres are primarily vacant and dedicated to agricultural use. Four (4) properties (including the agricultural parcels) representing 77.04 acres have improvement values approaching or dropping below land values. The American Institute of Appraisers suggests that an economically viable, developed property would reflect a ratio of 30% land to 70% improvements. After initial improvements are made, without continuing reinvestment the improvement ratio declines and as it approaches par, a condition of disinvestment or deterioration is assumed.

Additionally, one (1) parcel within the Study Area is landlocked with no access to a public street and one of the major parcels is connected to Washington Street by only a narrow twenty-foot extension of the property, a condition inadequate for any level of intense urban development.

A major gasoline pipeline transects the Study Area on a prescribed easement limiting development potential along its length.

Even if one arbitrarily sets an Improvement to Land Value ratio of 1:1 as a benchmark below which one finds notable disinvestment, one finds the vast majority of the area within the Study Area is below this line.

Table 2

The comparison of land value to improvement value		
Category	**Number of Lots**	**Percentage of Area**
Vacant	2	41%
Improvement Value < 1.0 X Land Value	4	38.0%
200% - 300%	0	0%
300% - 400%	0	0%
400% - 500%	0	0%
500% - 600%	1	1.0. %
600% - 700%	0	0%
700% - 800%	0	0%
800%-900%	0	0%
900% - 1000%	1	1%
Improvement Value > 1000%	2	19%

As the table shows, the percentage of properties where re-investment has been made is relatively small.

Infrastructure: A similar pattern of under-investment exists in the public infrastructure in the Study Area. While limited investment has been made on Washington Street South associated with recent development, full improvement to current City standards has not been made. Curb and gutter are in place on the west side fronting new commercial development, but no pedestrian facilities or storm drainage facilities are in place. The balance of Washington Streets South through the Study Area shows an improvement standard reflective of historic rural state highways consisting of an asphalt mat with no provision for storm drainage, pedestrian facilities or urban levels of illumination. Such facilities were not designed to accommodate projected levels of commercial and industrial traffic envisioned in City planning documents, potentially resulting in significant deterioration of the street surface.

At the point in time of this investigation, no street network exists west of Washington Street South. Any substantial industrial development as envisioned in the City's Comprehensive Plan would require a more robust street network throughout the area currently being used for agricultural purposes.

Street lighting is inadequate on Washington Street South and totally non-existent in the balance of the Study Area. Areas of the City experiencing more recent development enjoy a significantly higher standard of illumination than found in the Study Area.

Storm Drainage: As noted above, none of Washington Street South frontage has storm drainage facilities installed. In the areas where no curbs and gutters exist, storm drainage facilities, piped systems or open ditches, are not in place to handle discharges from storms or from melting snow. This allows ponding of water creating traffic hazards as well as deterioration of the roadbed itself. This condition is predominant in the Study Area especially on the east side of Washington Street South, south of Highland Avenue.

As the City grows, national standards for handling storm drainage will apply to the City. One can expect substantial investment in such facilities will be required during the life of an urban renewal district.

Water: Municipal water service is available in the Study Area only in Washington Street South. Fire hydrant placement appears inadequate even for the current land uses.

The City of Twin Falls Water System Master Plan, adopted in 2016, notes inadequate fire flows in the area to support the land uses envisioned in the City's Comprehensive Plan. Much of the area is undeveloped vacant land that is zoned for significantly more dense urban uses represented by their commercial and industrial zoning designations. Extensions will be required to serve the large parcels when development occurs. Depending upon specific uses, fire flows may have to be upgraded to ensure adequate fire protection is available in a more dense development environment.

Sewer: As with the water system, the sewer collection system will need to be enhanced throughout the area to serve the development envisioned in the City's Comprehensive Plan and zoning documents. Additionally, the type of development envisioned, with high treatment requirements due to the processing of milk products, will cause significant demands upon the City's Wastewater Treatment facility located adjacent to the river in the Snake River Canyon. It has been the City's policy to require pre-treatment of effluent such as will be generated in the Study Area prior to its being discharged into the City's collection system to ensure compliance with the environmental requirements of the permits issued by the State Department of Environmental Quality (DEQ).

Required Findings Regarding Eligibility for Area 5:

In order to make a finding that the Study Area is, in fact, eligible for being considered for the establishment of an urban renewal district, one must compare the conditions found in the area with the statutory criteria noted above. For the convenience of the reader those criteria are repeated here:

1. The Presence of a Substantial Number of Deteriorated or Deteriorating Structures; and Deterioration of Site [50-2018(9); and 50-2903(8)(b) and (8)(c); and 50-2008(d)(4)(2)]

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

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

4. Outmoded Street Patterns [50-2008(d)(4)(2)]

5. Need for Correlation of Area with Other Areas of a Municipality by Streets; and Modern Traffic Requirements [50-2008(d)(4)(2)]

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

7. Unsuitable Topography or Faulty Lot Layouts [50-2008(d)(4)(2)]

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

9. Diversity of Ownership [50-2018(9); and 50-2903(8)(b) and (8)(c); and 50- 2008(d)(4)(2)

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

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

12. Conditions Which Retard Development of the Area [50-2008(d)(4)(2)]

13. Results in Economic Underdevelopment of the Area [50-2903(8)(b)]; and Economic Disuse [50-2008(d)(4)(2)]

Criterion #1: *The Presence of a Substantial Number of Deteriorated or Deteriorating Structures; and Deterioration of Site*: As noted above, 6 of the properties representing 79% of the acreage in the Study Area reflect land to improvement values suggesting that deteriorated or deteriorating structures exist or are vacant. A site visit confirms the data. Therefore, Criterion #1 is met.

Criterion #2: *Age or Obsolescence*: The majority of the Study Area is vacant land currently under cultivation. One parcel contains a residence constructed in 1911 and appears to be in serviceable condition. Several outbuildings exist on the property in close proximity to the house that are deteriorated. Farm implements and inoperable vehicles occupy the area surrounding the house. Given the designation in the City's Comprehensive Plan and zoning documents, the current use as a residence associated with an agricultural use is obsolete. Therefore, Criterion #2 is met

Criterion #3: *Predominance of Defective or Inadequate Street Layout.* While some of the parcels can be served from Washington Street South, the presence of large undeveloped acreages suggests the current network will prove inadequate to support future development. Both Highland and Park Avenue will need to be extended to the west of Washington Street South providing access to the interior portions of the currently vacant parcels. A more dense circulation system will be required to support more intensive uses. Therefore, Criterion #3 is met.

Criterion #4: *Outmoded Street Patterns.* See analysis under Criterion #3. Criterion #4 is met.

Criterion #5: *Need for Correlation of Area with Other Areas of a Municipality by Streets; and Modern Traffic Requirements*. The Study Area is served by Washington Street South. As noted above, only partial improvements have been made to this facility through the Study Area. This roadway also serves as the primary community access to the Twin Falls Regional Airport, so ensuring an adequate level of service as the area develops is essential. Should industrial development on properties to the west of the Study Area be pursued, road access to Washington Street South will become necessary. Therefore, Criterion # 5 is met.

Criterion #6: *Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness.* Three (3) of the parcels within the Study Area are large, and mostly vacant. Future development consistent with the City's Comprehensive Plan will require subdivision and the extension of public access to the complete parcels. Also, as noted above, there is one parcel that currently has no access to a public street, and one large 40-acre parcel has limited 20-foot frontage, thus severely limiting their utility in an urban setting. Therefore, Criterion #6 is met.

Criterion #7: *Unsuitable Topography or Faulty Lot Layouts.* While no unusual topographical features exist within the Study Area, the lot layouts as discussed in Criterion #6 apply. The noted gasoline pipeline runs diagonally across the southern and westerly portions of the Study Area limiting development options. Therefore, Criterion #7 is met.

Criterion #8: *Insanitary or Unsafe Conditions*. The substandard condition of the streets, the lack of storm drainage facilities, the incomplete street lighting system and the lack of adequate pedestrian facilities point to current unsafe conditions that will be exacerbated as development occurs consistent with the City's Comprehensive Plan. The water system will need to be expanded into the large parcels to provide adequate fire protection. Sewer treatment system upgrades will be required to fully serve the anticipated development. Therefore, Criterion #8 is met.

Criterion #9: *Diversity of Ownership*. The 9 parcels examined in this study are under the ownership of 5 entities. Such diversity of ownership creates challenges for creating and executing a common vision for the area. Therefore, Criterion #9 is met.

Criterion #10: *Tax or Special Assessment Delinquency:* The records of the Twin Falls County Assessor do not reflect any tax or special assessment delinquency. Therefore, Criterion #10 is not met.

Criterion #11: *Substantially Impairs or Arrests the Sound Growth of a Municipality*. The Study Area exists within the corporate limits of the City of Twin Falls and abuts dense urban development on the north, and east sides. Significant industrial development has occurred on one of the parcels and that entity is considering an expansion in the near future under favorable conditions. The lack of adequate infrastructure within the Study Area inhibits the development envisioned in the City's Comprehensive Plan. Therefore, Criterion #11 is met.

Criterion #12: *Conditions Which Retard Development of the Area.* Large and landlocked parcels, a diverse ownership pattern and inadequate infrastructure are all factors that inhibit the development of properties within the Study Area as envisioned in City planning documents. The gasoline pipeline limits design options in the development of a major portion of the Study Area. Therefore, Criterion #12 is met.

Criterion #13: *Results in Economic Underdevelopment of the Area.* The Washington Street South area in the City has seen sporadic investment in recent years. However, the majority of the land within the Study Area remains underutilized and in some cases we see deteriorating and/or obsolete uses. Criterion #13 is met.

Findings: Washington Street South Urban Renewal District: Conditions exist within the district to allow the Board of Commissioners of the Twin Falls Urban Renewal Agency and the Twin Falls City Council to determine that the area is eligible for urban renewal activities as prescribed in State Law.

	Criteria	Met	Not Met
1	The Presence of a Substantial Number of Deteriorated or Deteriorating Structures; and Deterioration of Site	X	
2	Age or Obsolescence	X	
3	Predominance of Defective or Inadequate Street Layout	X	
4	Outmoded Street Patterns	X	
5	Need for Correlation of Area with Other Areas of a Municipality by Streets; and Modern Traffic Requirements	X	
6	Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness	X	
7	Unsuitable Topography or Faulty Lot Layouts	X	
8	Insanitary or Unsafe Conditions	X	
9	Diversity of Ownership	X	
10	Tax or Special Assessment Delinquency		X
11	Defective or unusual condition of title	X	
12	Substantially Impairs or Arrests the Sound Growth of a Municipality	X	
13	Results in Economic Underdevelopment of the Area	X	

Analysis: Open Land Conditions

In addition to the eligibility conditions identified above, the geographic area under review is also required to satisfy the "open land" conditions. Idaho Code Section 50-2903(8)(c) states: "[a]ny area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section 50-2008(d), Idaho Code, shall apply to open areas."

Many of the eligibility criteria set forth in Idaho Code Section 50-2903(8)(c) for predominantly open land areas mirror or are the same as those criteria set forth in Idaho Code Sections 50-2018(9) and 50-2903(8)(b). "Diversity of ownership" is the same, while "obsolete platting" appears to be equivalent to "faulty lot layout in relation to size, adequacy, accessibility, or usefulness." "Deterioration of structures or improvements" is the same or similar to "a substantial number of deteriorated or deteriorating structures" and "deterioration of site or other improvements." There is also an additional qualification that the provisions of Idaho Code Section 50-2008(d) shall apply to open areas.

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

> (4) the urban renewal plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise: Provided, that if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency, such area shall not be so acquired unless (1) if it is to be developed for residential uses, the local governing body shall determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality, or (2) if it is to be developed for nonresidential uses, the local governing body shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in this act, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.

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

Basically, open land areas may be acquired by an urban renewal agency and developed for nonresidential uses if such acquisition is necessary to solve various problems, associated with the land or the infrastructure, that have delayed the area's development. These problems include defective or usual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout. All of the stated conditions are included in one form or another in the definition of deteriorated area set forth in Idaho Code Sections 50-2903(8)(b) and 50-2018(9). The

conditions listed only in Section 50-2008(d)(4)(2) (the open land section) include economic disuse, unsuitable topography, and "the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area."
The conclusion of this discussion concerning open land areas is that the area qualifies if any of the eligibility conditions set forth in Idaho Code Sections 50-2018(9) and 50-2903(8)(b) apply. Alternatively, the area under consideration qualifies if any of the conditions listed only in Idaho Code Section 50-2008(d)(4)(2) apply. The parcel size, the lack of water and sewer facilities; a nonexistent access and internal street system; an inadequate storm drain system; and lack of fire protection, are all conditions which delay development of the Study Area.

Based on the above analysis, diversity of ownership, obsolete platting/faulty lot layout and economic underdevelopment are conditions found in the Study Area, and therefore, the open land condition is satisfied.

CONCLUSION:

Based upon our review of the data and the conditions that exist within the Study Area as noted above, the Twin Falls City Council may, at its discretion, determine that the Washington Street South Urban Renewal District, as proposed, is eligible for the establishment of an urban renewal district.

Other Relevant Issues

Agricultural Land Owners concurrence: A substantial part of the area within the Study Area maintains an agricultural land property tax exemption as authorized under state law. The statutory provisions concerning the creation of an urban renewal district prohibit inclusion of any land used for agricultural purposes without the express written consent of the property owner. Such consent has not yet been requested. Final consideration of any urban renewal plan created through this process could not proceed without the required consents being in-hand.

10% Analysis: In addition to the findings reported above, we also sought to verify that the assessed value of the proposed Study Area is within the statutory limits. As noted above, State Law limits the percentage of assessed value that can be included in urban renewal / revenue allocation districts to 10% of the total valuation of the City. According to Twin Falls County Assessor records, the most recent certified value for the City is $2,859,303,458. The taxable value of the Study Area is $18,689,262 representing 0.65% of the total City assessed value. The Base Assessed Value of the Twin Falls Urban Renewal District 4-1 is $23,760,191, Twin Falls District 4-3 is $1,096,508, and Twin Falls District 4-4 is $4,090,577. The Table below shows the result compared to the statutory requirement.

Statutory 10% Limitation Analysis		
Area	**Base Assessed Value**	**Percentage**
Total City	**$2,859,303,458**	**100%**
• Twin Falls Area 4-1 (Old Towne)	$23,760,191	0.83%
• Twin Falls Area 4-3 (Chobani)	$1,069,508	0.04%
• Twin Falls Area 4-4 (Clif Bar)	$4,090,577	0.14%
• Proposed Washington Street South URD	$18,689,262	0.65%
Total UR Base Assessed Value Percentage	**$47,609,535**	**1.67%**

We also explored the effect of creating this district on the capacity of the Urban Renewal Agency to consider future districts should they choose to do so. The table below shows that even if a new district similar to Washington Street South were to be established, approximately 8.33% of the citywide assessed value would remain uncommitted.

Remaining Urban Renewal Capacity		
• Maximum 10% Limitation	$285,930,346	10%
•		
• Twin Falls Area 4-1 (Old Towne)	$23,760,191	0.83%
• Twin Falls Area 4-3 (Chobani)	$1,069,508	0.04%
• Twin Falls Area 4-4 (Clif Bar)	$4,090,577	0.14%
• Proposed Washington Street South URD	$18,689,262	0.65%
• Total AV in Revenue Allocation Areas	**$47,609,538**	**1.67%**
• **Available AV under limitation**	**$238,320,808**	**8.33%**

Impact of losing Agricultural Land Exemption:

It should be noted that four of the parcels carry an agricultural property tax exemption, thereby significantly reducing the assessed values as reflected in the numbers above. At such time that these properties change use, the agricultural exemption is withdrawn and the resultant assessed value accrues to the Adjusted Base Value not the Incremental Value. We needed to test the impact of this circumstance to ensure the 10% limitation reviewed above remains met. In doing this analysis we adjusted the "per acre" value of the 4 properties to reflect the non-exempt values of adjacent properties. That analysis is reflected below:

Parcel Number	Area	Current Land Value	AV per acre	Adjacent Non-Exempt AV	Revised Non-exempt AV
RPT00107201805A	34.64	$113,015	$3,262.56	$81,665.30	$2,828,885.62
RPT00107201200A	40.61	$108,941	$2,682.62	$81,665.30	$3,316,427.40
RPT00107201830A	0.84	$32,392	$38,561.90	$81,665.30	$68,598.84

RPT00107202300A	1.31	$45,726	$34,905	$81,665.30	$106,981.53
Totals		**$300,074**			**$6,320,893.39**
Difference					**$6,020,819.39**

Revised Remaining Urban Renewal Capacity		
• Maximum 10% Limitation	$285,930,346	10%
•		
• Twin Falls Area 4-1 (Old Towne)	$23,760,191	0.83%
• Twin Falls Area 4-3 (Chobani)	$1,069,508	0.04%
• Twin Falls Area 4-4 (Clif Bar)	$4,090,577	0.14%
• Proposed Washington Street South URD	$24,710,081	0.86%
• Total AV in Revenue Allocation Areas	$53,630,357	1.88%
• **Available AV under limitation**	**$232,299,989**	**8.12%**

Amount Below 10% Cap w/ Washington Street South with Ag Exemptions	**$238,320,808 (8.33%)**
Amount Below 10% Cap w/ Washington Street South without Ag Exemptions	**$232,299,989 (8.12%)**

4826-2798-8360, v. 3

RESOLUTION NO. _______

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, ACCEPTING THAT CERTAIN REPORT ON ELIGIBILITY FOR CERTAIN PROPERTY REFERRED TO AS THE WASHINGTON STREET SOUTH AREA AS AN URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA AND JUSTIFICATION FOR DESIGNATING THE AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; AUTHORIZING AND DIRECTING THE CHAIRMAN OR EXECUTIVE DIRECTOR TO TRANSMIT THE REPORT AND THIS RESOLUTION TO THE CITY COUNCIL OF THE CITY OF TWIN FALLS REQUESTING ITS CONSIDERATION FOR DESIGNATION OF AN URBAN RENEWAL AREA AND SEEKING FURTHER DIRECTION FROM THE COUNCIL; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the 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 (hereinafter the "Law") and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the "Act"), a duly created and functioning urban renewal agency for Twin Falls, Idaho, hereinafter referred to as the "Agency."

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

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

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

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

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the Amended Urban Renewal Plan for Urban Renewal Area #4-1 Expansion (the "Amended

RAA #4-1 Plan") seeking to add geographic area to RAA #4-1 Plan, pursuant to Idaho Code § 50-2033, to redevelop a portion of the City within the boundaries of the Urban Renewal Area #4, as amended, pursuant to the Law and the Act;

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

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

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 3022 on December 12, 2011, approving the RAA #4-3 Plan and making certain findings;

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

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 3097 on June 1, 2015, approving the RAA #4-4 Plan and making certain findings;

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

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

WHEREAS, in 2018, the Agency authorized Kushlan Associates, to commence an eligibility study and preparation of an eligibility report of an area generally located west of Washington Street South and south of Diamond Avenue West;

WHEREAS, the Agency has obtained the Twin Falls Washington Street South Urban Renewal District Eligibility Report, dated March 2019 (the "Report"), which examined an area within the area of operation of the City, in an area known as the Washington Street South Area, for the purpose of determining whether such area was a deteriorating area and/or a deteriorated area as defined by Idaho Code Sections 50-2018(9) and 50-2903(8);

WHEREAS, the Report has been submitted to the Agency, a copy of which is attached hereto as Exhibit A;

WHEREAS, under the Law and the Act, Idaho Code Sections 50-2903(8)(f) and 50-2018 (8) and (9), the definition of a deteriorating area shall not apply to any agricultural operation as defined in section 22-4502(1), Idaho Code, or any forest land as defined in section 63-1701(4), Idaho Code, absent the consent of the owner of the agricultural operation or the forest landowner of the forest land, except for an agricultural operation or forest land that has not been used for three (3) consecutive years;

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

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

WHEREAS, pursuant to Idaho Code Section 50-2008, an urban renewal project may not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area, or combination thereof, and designated such area as appropriate for an urban renewal project;

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

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

<u>Section 1</u>. That the above statements are true and correct.

<u>Section 2</u>. That the Board acknowledges acceptance and receipt of the Report.

<u>Section 3</u>. That there are one or more areas within the City that are a deteriorating area or a deteriorated area as defined by Idaho Code Sections 50-2018(9) and 50-2903(8).

<u>Section 4</u>. That one such area is an area more commonly known as the Washington Street South Area, which is bounded by Washington Street South on the east and Diamond Avenue West on the north.

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

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

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

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

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

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

PASSED AND ADOPTED by the Urban Renewal Agency of the City of Twin Falls on March 11, 2019.

APPROVED AND EXECUTED by the Chairman of the Board of Commissioners of the Agency and attested by the Secretary to the Board of Commissioners, on this 11th day of March 2019.

APPROVED:

By:____________________________________
Dexter Ball, Chair

ATTEST:

By:________________________________
Lorrie Bauer, Secretary

4853-1391-1945, v. 1

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, March 11, 2019

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 Memorandum of Understanding between the Urban Renewal Agency of Twin Falls and the City of Twin Falls to execute design contracts for development near Washington Street South and Park Avenue.

Time Estimate:

N/A

Background:

The URA is planning to assist with utility costs related to Project Tom in the vicinity of Washington Street South between HIghland and Park Avenues. Because of the size of the improvements and its impact to the City of Twin Falls, City Engineering Staff would like to be involved in the early stages of design and help support the construction of the overall utilities.

Since the City has a prequalified list of surveyors and design professionals that assist with this type of work, URA Staff sees it as appropriate to allow City of Twin Falls Engineering Staff to take the lead on design of the new utilities that will impact their system, which will also help move Project Tom along in a timely manner.

The URA would be responsible for reimbursement to the City of Twin Falls for the design costs. There are sufficient funds in reserves, not tied to a revenue allocation area, that can be spent to cover the estimated costs of $800,000 for early critical path work for water and roadway design. The risk to the agency is that Project Tom will fall through and the agency has sunk costs to support that project. However, the preliminary survey and design work can still go toward supporting future projects in this area.

Approval Process:

Approval by a majority of the Board in an open meeting would allow the Chair to authorize the agreement with the City.

Budget Impact:

The URA would bare the design costs which are estimated to be $800,000.

Regulatory Impact:

N/A

Conclusion:

Staff recommends the Board approve the MOU.

Attachments:

1. DRAFT MOU for Washington St S Utilities

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into by and between the City of Twin Falls, Idaho ("City") and the Urban Renewal Agency of the City of Twin Falls, Idaho (URA").

WHEREAS, The City is tasked with the ongoing maintenance and upkeep of its network of publicly owned water, sewer, and road systems; and,

WHEREAS, The URA is planning to assist with public improvements, including sewer, water, and roadway, related to development projects in the area of Washington Street South between Park Avenue and Highland Ave; and,

WHEREAS, The City has a qualified list of surveying and engineering firms available to assist in the survey, planning, and design of its utility system; and,

WHEREAS, Conducting the planning of public utility projects simultaneously between the City and URA will result in improved timeliness and design of the overall system.

NOW, THEREFORE, In consideration of the mutual promises contained herein, the parties agree as follows:

1. URA agrees to provide bid documents, including specifications and plans, for the utility and roadway projects to the City, so that these documents can be included for bidding the work.
2. City agrees to competitively bid the URA utility and roadway design projects.
3. City agrees to share with the URA the bids received for the utility design projects.
4. URA agrees to pay all costs associated with the URA utility and roadway design projects, in accordance with the payment schedule set forth in the design contract.
5. URA agrees to give the URA Director authority to sign contracts for surveying, engineering, and design of utility and roadway projects.

DATED, This _____ day of March, 2019.

CITY OF TWIN FALLS

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

____
Mayor

____
Chairman

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, March 11, 2019

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray, Executive Director

ACTION ITEM

Request:

Consideration of a repeal to the proposal by Summit Creek Capital to develop property owned by the Urban Renewal Agency of Twin Falls at 160 Main Avenue South.

Time Estimate:

N/A

Background:

In April 2018, the URA approved a response by Summit Creek Capital to a previously issued request for proposals to develop the property at 160 Main AvenueSouth. The URA then entered into negotiations on a 'Development Agreement' with Summit Creek Capital related to preparation of the site for construction and commitments by both parties related to possible construction activities.

To date, no agreement has been reached and staff is waiting on information from Summit Creek Capital related to costs associated with the project and the timing and manner of financing the construction.

Staff is asking the Board to consider whether or not it wants to continue its relationship with Summit Creek Capital and further negotiations of the required development agreement.

Approval Process:

A majority vote by the Board would carry the proposed motion.

Budget Impact:

N/A

Regulatory Impact:

N/A

Conclusion:

If the developer can demonstrate that they have financing to execute constructing the project within a reasonable time frame, staff recommends continuing negotiations for the development agreement. If there is no clear path outlined by the developer to secure financing then the Board should vote to move on and negotiate with other interested parties.

Attachments:

None