



Urban Renewal Agency Agenda

Monday, July 10, 2017, 12:00 PM

City Council Chambers
305 Third Avenue East - Twin Falls, Idaho

Members: Chairman Dan Brizee, Vice Chairman Dexter Ball, Secretary Neil Christensen, Perri Gardner, Gary Garnand, Brad Wills, Suzzane Cawthra

- 1) Confirmation of Quorum/Call Meeting to Order
- 2) Consideration of Amendment(s) to the Agenda
- 3) Consent Calendar
 - a) Request to approve: 1) Minutes for June 12, 2017 meeting; 2) July 2017 Financial Report; and 3) July 2017 Accounts Payable.
- 4) Reports/Updates
 - a) Executive Director's Report by Nathan Murray

Welcome new Board Member

Suzzane Cawthra has replaced Bob Richards who completed his term on the Board last month and we'd like to welcome her to her first meeting today. Suzanne is a native of Twin Falls who recently returned home after being away for schooling and work for nearly a decade. She has experience teaching, facilitating meetings, conducting trainings, and community engagement through the programming side of development. She also worked internationally for a time. We are excited to add her experience and enthusiasm to the Board.

First Federal Line of Credit

Last month, the Board approved a \$2.8m revolving line of credit with First Federal Savings Bank. Since that time, the bank has indicated that the revolving line of credit as originally presented might not be a viable option for them and they are looking to make changes to the terms. Under the new terms, the URA would still be able to draw funds as needed up to \$2.8M, and the monthly payments would be interest only, but the bank is looking to structure a more closed-end draw note.

I've previewed the new terms and they seem acceptable, but given other items related to the needs of the URA that will be discussed in today's meeting, I've asked First Federal to wait until the August Board meeting before we determine if and how to restructure the loan.

- b) Main Avenue Project Update by Mark Bowen and Perrin Robinson, CH2M

5) Items of Consideration

- a) Annual Election of Officers (Chairman, Vice Chairman, and Secretary)

Purpose: Action By: Nathan Murray

- b) Consideration of a request to adopt the preliminary budget amount of \$15,530,275 and schedule a public hearing to take place during the scheduled August 14th meeting to take public input.

Purpose: Action By: Brent Hyatt

- c) Consideration of a request to approve an agreement between the Twin Falls Urban Renewal Agency and The Historic Ballroom Building LLC for development of the sites at 205 & 219 Shoshone Street North.

Purpose: Action By: Nathan Murray

- d) Consideration of a request to initiate the sale of Twin Falls Urban Renewal Agency owned property located at 851 Pole Line Road.

Purpose: Action By: Nathan Murray

6) General Input/Announcements - Public/Staff

7) Upcoming Meeting(s)

Monday, August 14, 2017 @ 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.



Urban Renewal Agency Minutes

Monday, June 12, 2017, 12:00 PM

City Council Chambers
305 Third Avenue East - Twin Falls, Idaho

Members: Chairman Dan Brizee, Vice Chairman Dexter Ball, Secretary Neil Christensen, Perri Gardner, Bob Richards, Gary Garnand, Brad Wills

1) Confirmation of Quorum/Call Meeting to Order

Present: Bob Richards, Gary Garnand, Brad Wills, Dan Brizee, Perri Gardner
Absent: Dexter Ball, Neil Christensen
Also Present: Nathan Murray, Jesse Schuerman, Brent Hyatt, Lorrie Bauer, Firtz Wonderlich, City Council Liaison Ruth Pierce; Meghan Conrad, Elam & Burke (via phone); Anthony Guho and Rob Cloninger, Guho Corp.; Paul Johnson, CH2M; Michael Arrington, Starr Corp; and Josh Hagley, First Federal Bank.

Chairman Brizee called the meeting to order at 12:04 PM. A quorum was present.

2) Consideration of Amendment(s) to the Agenda

None.

3) Consent Calendar

MOTION: Bob Richards moved to approve all items of the consent calendar. Gary Garnand seconded the motion. Roll call vote showed all members present voted. Approved 5 to 0.

- a) Request to approve the May 8, 2017 Minutes.
- b) Request to approve the June 2017 Financial Report.
- c) Request to approve the June 2017 Accounts Payable.

4) Reports/Updates

- a) Executive Director's Report by Nathan Murray
 - 851 Pole Line Road Update: A request for proposal (RFP) was published on May 12, 2017 to solicit purchase offers for the building. The RFP closes this date at 5:00 p.m. He shared we have been contacted by interested parties, but have not received a formal purchase offer; however he anticipates one to be submitted by the end of the day. He added the C3 ownership group is coming to Twin Falls this week to discuss building maintenance and other areas including ownership of the building going forward.
 - URA Board Positions: Staff notified the public of a vacant board position. Nine

applications were received. Mayor Shawn Barigar, Councilwoman Ruth Pierce, and Chairman Dan Brizee interviewed eight. Mayor Barigar asked the council to confirm the appointment of Suzanne Cawthra at the May 30, 2017 City Council Meeting, and re-appoint Dexter Ball and Perri Gardner to second terms on the board. The Council unanimously approved the appointments. Ms. Cawthra will assume the position vacated by Bob Richards beginning with the regularly scheduled board meeting in July. These new appointments will expire June 30, 2020. Chairman Brizee and Ruth Pierce expressed gratitude for all applicants.

- Downtown Commons Plaza and Wall: Final plans have been submitted and are being reviewed by the City. Michael Arrington, with Starr Corporation, was introduced to speak about the project timeline. Mr. Arrington shared the final review comments are being integrated into the plans by Otak and should be completed very soon. Once the drawings are ready to bid, it will take approximately six weeks to review the drawings, put the bid packages together, and complete the bidding process; If the updated drawings are available shortly, construction would begin mid-August. Work focus will be on Hansen Street as well as in front of City Hall. Work on the restroom building will continue through the winter, but it's likely some work on the plaza will stop until weather allows work to continue. A mid-May utilization date is anticipated. Chairman Brizee shared EHM has completed the structural work on the wall and Otak has integrated electrical into the wall for lights, etc. The steel structure will stay and places to display public art will be created between the pillars. Renovation negotiations with the plaza's neighboring property owner, Ms. Gates, are currently being discussed with the City. He explained the current plan and how it relates to the plaza wall.
- Commissioner Richards questioned the status of the leased parking lot that is currently fenced off and cannot be used. Nathan Murray explained that as long as we have a tenant that is a call center in that location, we are obligated to lease that parking lot. He stated a discussion will be had later this week at the meeting with the C3 ownership group.

b) Main Avenue Project Update by Paul Johnson, CH2M

Paul Johnson, owners representative for the Main Avenue Redevelopment project, shared Anthony Guho, construction representative, and Rob Cloninger, the project superintendent, were in attendance at the meeting in case anyone had detailed questions for them. Mr. Johnson showed a few pictures as he summarized the update included with the board packet. Two blocks are under construction and proceeding very well with completion slated by Mid-July for Gooding to Shoshone section. Work includes concrete removal and placement for sidewalks, light pole basis, storm drainage, underground utilities, electrical service to the festival street, and light pole base foundations, and curb and gutter. The project is still on budget with the guaranteed maximum price of \$6.45M. A few extra cost issues, including street furnishings, will be addressed next month due to further research necessary before presentation. Discussion ensued. Sleeve details have been finalized for the Lyons Club flag display tradition. Discussions with the merchants indicated concern with project communications and signage so improvements have been made including a weekly report that will include both completed and upcoming activities will be issued to the merchants, as well as the board and city council. Commissioner Richards shared a couple

merchants have complained to him that the current construction is a month behind schedule and asked if that communication has been cleared. Mr. Johnson replied they did have a meeting with the merchants and the original goal was to have the first block complete by the end of June and it has now changed to mid-July; however the time will be made up in subsequent blocks. Anthony Guho shared the landscaping will go in as project progresses as long as weather permits. Tree selection has been finalized and they have been procured for the project. Planting and irrigation details are currently being worked out. Discussion ensued.

5) Items of Consideration

- a) Consideration of a request to approve a License Agreement for Vault Retention (Resolution 2017-06) and a Release and Waiver of Liability (Resolution 2017-07) for 102 Main Avenue East (Wells Fargo) related to the Main Avenue Redevelopment Project.
Nathan introduced the request and explained the agreements are similar to those previously accepted due to basements that extends under the sidewalk.

MOTION: Perri Gardner moved to approve the License Agreement for Vault Retention and a Release and Waiver of Liability at 102 Main Avenue East, the Wells Fargo Building. Brad Wills seconded the motion. Roll call vote showed all members present voted. Approved 5 to 0.

- b) Consideration of a request to approve a response to the Twin Falls Urban Renewal Agency Request for Proposal issued for 219 Shoshone Street North.
As reported last month, there was an opportunity for a project at 219 Shoshone St. Nathan shared the URA received a response from the advertised request for proposals from the Historic Ballroom, LLC. He explained the URA would purchase the structure, demolish it, then improve some of the underground work for surface level usage including parking. After completion, the Historic Ballroom, LLC, who currently has 205 Shoshone St. under contract, would purchase this property and put forth \$3.5M to improve the contracted building. He showed photos of the proposed improvements and explained there was still a lot of details yet to be worked out. He asked the Board if this proposal meets their expectations for this property and if they wanted to continue with this project as proposed. Chairman Brizee explained this agenda item is to authorize staff and legal to continue developing an agreement.

MOTION: Gary Garnand moved to give staff the authority to move forward with the project at 219 Shoshone St. Bob Richards seconded the motion. Roll call vote showed all members present voted. Approved 5 to 0.

- c) Consideration of a request to approve the terms of a Line of Credit from First Federal Savings Bank to the Twin Falls Urban Renewal Agency in the amount of \$4,000,000.
Nathan introduced the item by noting we're building Main Avenue, we have obligations for payments, and some obligations may be required before we receive the revenues to cover them. This line of credit would be available, if needed, to cover the obligations. First Federal extended two options, each with a setup fee of \$10,000: 1) \$4M loan to be repaid at the end of 2022 when RAA4-1 expires; and 2) a revolving loan limited at \$2.8M. Both options would expire at the end of 2022 when RAA 4-1 dissolves. Staff recommends the \$2.8 revolving loan. Brent Hyatt and representatives from the bank we present at the meeting for any questions.

Discussion ensued. Josh Hagley, First Federal representative, explained the difference between the two options. First Federal and Washington Federal were thanked graciously for working with the URA and the City.

MOTION: Bob Richards motioned to pursue the \$2.8M revolving line of credit from First Federal. Gary Garnand seconded the motion. Roll call vote showed all members present voted. Approved 5 to 0.

6) General Input/Announcements - Public/Staff

The budget committee needs to reconvene to propose, for the next meeting, a preliminary budget. The committee consists of three board members, Brent Hyatt, and Nathan Murray. Chairman Brizee appointed Vice Chairman Dexter Ball, Secretary Neil Christensen, and Commissioner Perri Gardner.

The Oversight Subcommittee for the Main Avenue project needs a replacement for Commissioner Richards due to his departure. Chairman Brizee appointed the new board member, Suzzane Cawthra, to the committee.

Officer elections for the agency will be held at the July meeting.

Executive Director, Nathan Murray, recognized Commissioner Bob Richard's service on the Urban Renewal Board and thanked him, on behalf of the agency and the community, for his hard work, thoroughness, and commitment to the URA. Bob was presented with an appreciation plaque.

7) Upcoming Meeting(s)

a) July 10, 2017 @ 12:00 p.m.

8) Adjournment

The meeting adjourned at 01:01: PM

Lorrie Bauer, Recording Secretary

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

October 2016 through June 2017

	Oct '16 - Jun 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Wash. Fed. LOC	2,000,000.00	5,099,861.00	-3,099,861.00	39.2%
Washington Fed. Bond Proceeds	0.00	0.00	0.00	0.0%
Line of Credit Adv. - Clif Bar	809,780.34	606,000.00	203,780.34	133.6%
Investment Income	37,105.72	9,500.00	27,605.72	390.6%
Other Income	305.00			
Property Taxes	5,050,194.71	9,311,977.00	-4,261,782.29	54.2%
Rental Income	299,985.27	456,483.00	-156,497.73	65.7%
Total Income	8,197,371.04	15,483,821.00	-7,286,449.96	52.9%
Gross Profit	8,197,371.04	15,483,821.00	-7,286,449.96	52.9%
Expense				
RAA 4-1				
Goold Parking Lot	4,750.00			
Main Ave.	882,376.68			
Rogerson Building	10,281.80			
Downtown Development	11,393.13			
RAA 4-1 - Other	765.00	9,082,615.00	-9,081,850.00	0.0%
Total RAA 4-1	909,566.61	9,082,615.00	-8,173,048.39	10.0%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	1,319,446.16	1,319,446.00	0.16	100.0%
Debt Pay. (Chobani) Principal	1,239,000.00	4,967,054.00	-3,728,054.00	24.9%
Total RAA 4-3 (Chobani)	2,558,446.16	6,286,500.00	-3,728,053.84	40.7%
RAA 4-4 (Clif Bar)	379,946.43	606,000.00	-226,053.57	62.7%
Bond Trustee Fees	3,000.00	5,000.00	-2,000.00	60.0%
Community Relations & Website	150.00	1,000.00	-850.00	15.0%
Debt Payments - Interest	528,228.29	976,704.00	-448,475.71	54.1%
Debt Payments - Principal	0.00	1,040,000.00	-1,040,000.00	0.0%
Dues and Subscriptions	850.00	2,300.00	-1,450.00	37.0%
Insurance Expense	3,022.50	6,045.00	-3,022.50	50.0%
Legal Expense	31,677.35	30,000.00	1,677.35	105.6%
Management Fee	99,000.00	198,000.00	-99,000.00	50.0%
Meeting Expense	1,286.01	3,500.00	-2,213.99	36.7%
Miscellaneous	24.60	2,500.00	-2,475.40	1.0%
Office Expense	5.00	600.00	-595.00	0.8%
Prof. Dev.\Training	500.00	2,500.00	-2,000.00	20.0%
Professional Fees	9,774.30	100,000.00	-90,225.70	9.8%
Property Tax Expense	28,605.79	37,750.00	-9,144.21	75.8%
Real Estate Exp. - Call Center	51,895.18	153,400.00	-101,504.82	33.8%
Real Estate Exp. - Other	9,409.41	7,700.00	1,709.41	122.2%
Real Estate Lease	72,000.00	72,000.00	0.00	100.0%
Total Expense	4,687,387.63	18,614,114.00	-13,926,726.37	25.2%
Net Ordinary Income	3,509,983.41	-3,130,293.00	6,640,276.41	-112.1%
Other Income/Expense				
Other Income				
Transfers In	0.00	367,445.00	-367,445.00	0.0%
Transfers Out	0.00	-367,445.00	367,445.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	3,509,983.41	-3,130,293.00	6,640,276.41	-112.1%

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

	Jun 17
Ordinary Income/Expense	
Income	
Wash. Fed. LOC	2,000,000.00
Line of Credit Adv. - Clif Bar	565.00
Investment Income	5,571.71
Property Taxes	4,967.15
Rental Income	1,333.34
Total Income	2,012,437.20
Gross Profit	2,012,437.20
Expense	
RAA 4-1	
Main Ave.	295,206.03
Rogerson Building	2,825.00
Total RAA 4-1	298,031.03
RAA 4-4 (Clif Bar)	565.00
Legal Expense	1,570.16
Meeting Expense	105.10
Miscellaneous	24.60
Office Expense	5.00
Real Estate Exp. - Call Center	19,365.93
Real Estate Exp. - Other	3,526.44
Total Expense	323,193.26
Net Ordinary Income	1,689,243.94
Net Income	1,689,243.94

Twin Falls Urban Renewal July 2017 Accounts Payable

<u>Check #</u>	<u>Date</u>	<u>Paid Amount</u>	<u>Name</u>	<u>Account</u>	<u>Fund</u>	<u>Memo</u>
3534	06/12/2017	185.40	Zions First National Bank	Zions #8616 - Excess Funds	Rev Alloc 4-3	Property Taxes for RAA 4-3 (Chobani)
3535	06/13/2017	565.00	Keller Associates	RAA 4-4 (Clif Bar)	Rev Alloc 4-3	AC #183 - Wastewater Facility / #33
3536	06/19/2017	60.00	Brittney Taylor Fraker	Main Ave.	Rev Alloc 4-1	Replacement Check for #3514
3537	06/28/2017	0.00	Zions First National Bank	WF General Checking #6350		VOID:
3538	07/06/2017	80.50	ACCO Engineered Systems	Real Estate Exp. - Call Center	Rental Fund	Repair to Sprinkler Line / #1659915
3538	07/06/2017	748.00	ACCO Engineered Systems	Real Estate Exp. - Call Center	Rental Fund	HVAC Maintenance / #678476
3539	07/06/2017	383.51	City of Twin Falls	Real Estate Exp. - Call Center	Rental Fund	Landscape Watering
3540	07/06/2017	1,340.00	Commercial Property Maintenance	Real Estate Exp. - Call Center	Rental Fund	Landscaping Maintenance - June / #3003
3541	07/06/2017	369,841.34	Guho Corporation	Main Ave.	Rev Alloc 4-1	Redevelopment Project / #03
3542	07/06/2017	3,022.50	ICRMP	Insurance Expense	General	Semi-Annual Payment (2nd half)
3543	07/06/2017	9.91	Idaho Power	Real Estate Exp. - Other	Rev Alloc 4-1	Power - 122 4th Av S (Park)
3543	07/06/2017	198.21	Idaho Power	Real Estate Exp. - Call Center	Rental Fund	Power - 851 Pole Line Road
3544	07/06/2017	352.00	J & L Sweeping Service, Inc.	Real Estate Exp. - Call Center	Rental Fund	Property Maintenance - June / #27459
3545	07/06/2017	450.00	K & G Property Management	Real Estate Exp. - Call Center	Rental Fund	Property Management - June / #3678
3546	07/06/2017	150.00	Sawtooth Spraying Service	Real Estate Exp. - Call Center	Rental Fund	Filmore Parking Lot Weed Kill / #44607
3546	07/06/2017	200.00	Sawtooth Spraying Service	Real Estate Exp. - Other	Rev Alloc 4-1	Downtown Properties Weed Kill / #44608
3547	07/06/2017	115.00	Twin Falls Sandwich Company	Meeting Expense	General	Lunch - 6/12 Meeting / #17179
3548	07/06/2017	2,000.00	Zions First National Bank	Bond Trustee Fees	Rev Alloc 4-4	Annual Trustee Fee

Twin Falls Urban Renewal Agency

Main Avenue Redevelopment Project



Block 1 – Shoshone to Gooding, concrete is placed with final prep for asphalt paving, 28JUN2017



Block 1 – Shoshone to Gooding, Tree Well location with irrigation and power for decorative lighting, 28JUN2017



Block 2 – Fairfield to Gooding, storm drainage and power is complete; prep for concrete, 28JUN2017



Block 2 – Fairfield to Gooding, prep for concrete and paver sidewalks, 28JUN2017

Prepared for:



**Monthly Report for
URA Board Meeting
July 10, 2017**

Monthly Project Progress Update

Prepared for URA Board Meeting on June 12, 2017

Main Avenue Redevelopment Project

Summary of Progress This Period, June 7 to July 5, 2017

Construction Services by CM/GC – Guho Corp.

1. Main Ave. Block 1, Shoshone to Gooding; from Guho's Weekly Report dated June 17, 2017:
 - o Concrete sidewalk, curb and gutter placement is nearing completion on this block.
 - o Unit Pavers installation underway on corner of Main and Shoshone.
 - o With the sidewalks complete the construction of the roadway can commence.
 - o Prep work will take place later this week and concrete paving will follow.
 - o Half of Main Ave near Shoshone is going to be a concrete Festival Street this will transition to asphalt at the mid-block crosswalk towards Gooding.
 - o With the concrete paving, there is a cure time required to gain strength to support traffic, this will take 7-10 days, during this time no heavy equipment can be driven over the fresh concrete.
 - o Once the concrete is at strength, asphalt paving will take place for the second half of the block through the intersection of Gooding.
2. Main Ave. Block 2, Gooding to Fairfield; from Guho's Weekly Report dated June 17, 2017:
 - o Underground utility work is complete.
 - o Sidewalk demo will start this week followed with concrete sidewalks later in the week.
3. Main Ave., Block 3, Shoshone to Hansen:
 - o The basement under the sidewalk in front of Twin Beans Coffee and the former Moose Hill tenant space is being prepared for demolition which will occur in July 2017.
 - o Work on Block 3 will commence in mid-July starting with street and partial sidewalk demolition.
4. General Activities: Submittals processing as well as several Requests for Information (RFI's). Guho's "Procore" system is efficient with all submittals and RFI's being reviewed and approved electronically.
5. From prior report: Bids were received for the Main Ave. redevelopment project on 24MAR2017. The bids came in within the URA's budget. The Guaranteed Maximum Price (GMP) for the project, inclusive of the prior Landscape removal package and the Main Ave. redevelopment work was approved at Special URA Board meeting on 03APR2017. The GMP totals \$6,446,114.99 which is within the URA's budget of \$6.5 million for the project. The GMP includes a contingency of 5%, several allowances for undefined work, and Guho's CM/GC fee, and all of the subcontracts for the work. The GMP is within several hundred dollars of the cost estimate at final design, which is a very good result. Most of the work has been awarded to Twin Falls area subcontractors and suppliers.

6. Refer to the separate weekly report updates from Guho which began in June 2017. These updates are now being distributed to merchants, City Council, URA Board each week by email to keep these groups up to date on the progress of construction.
7. Traffic control signage has been improved based on input and requests from merchants.
8. Guho's Progress payment for the month of May 2017 totaled \$ \$369,841.34. The total of progress payments to date less retainage (through May 31, 2017) is \$531,544.27, which is 8.2% of the GMP total of \$6,446,115. The total billed is appropriate for the in-progress work on 2 out of the 5.5 city blocks being demolished and reconstructed. Actual construction progress to date is greater, but the invoicing is for the month prior.

Materials Selection

9. "Holland Stone" concrete pavers from Amcor Concrete Products have been selected. These standard pavers with a 6-mm bevel have been selected, representing a \$30,000 savings to the project. Another option for custom cast pavers with square edges was budgeted in the GMP, but the beveled pavers for the \$30,000 savings were preferred by a majority of the reviewers from the URA and City. The project team has confirmed that the beveled pavers meet current accessibility requirements.



Truncated Dome selection for curb cuts, at paver mockup at Guho's construction yard, 06JUN2017. The beveled "Holland Stone" pavers are in the forefront of the photo, which have been selected for the Main Ave. Project.

10. Guho is being asked to price some of the materials necessary for the Commons project, such as the pavers, light poles and street amenities, in order to take advantage of possible savings. Otak and Starr are working to provide the quantities based on the latest design for Commons.

Project Schedule

11. From prior reports: The project schedule information (block by block plan) was presented to the Project Advisory Committee (PAC) on December 21, 2016, and again on Feb. 16, 2017. The PAC representatives were very pleased to hear about the block by block phasing plan recommended by Guho. The overall sequencing approach was discussed at the meeting and approved by the PAC.
12. Construction work on the first block (Gooding to Shoshone) commenced on 17APR2017 as planned. All 6 blocks of the project will be substantially complete by 31OCT2017, with final completion in November 2017. This will be in time for the opening of the new City Hall. (Note that the Main Ave. work does not include the Commons project, which is a separate project being managed by the City and Starr.)

Design Progress

13. Final design documents for the construction phase are now complete.
14. Otak's Services During Construction are underway with review of materials submittals from Guho.

Basement Issues

15. From prior reports: URA's legal representative had drafted agreements between the URA and the three affected property owners establishing the liability of continued basement extensions under Main Ave. These agreements are now completed and signed by the respective parties. Cost sharing of waterproofing has been negotiated with Wells Fargo. It was decided by the URA that the full cost of infill at Mr. Crowley's property will be covered by the URA unless environmental contamination is found. Some asbestos was found in the recent environmental survey.
16. Remediation of asbestos at the Crowley basement occurred in May, with construction/infill planned in July 2017.

Testing and Inspection

17. From prior reports: Testing and Inspection services are underway drawing upon allowances and savings within the GMP.

Budget

18. CH2M updated the URA's Cost Control Report for Area 4-1 projects, including the anticipated cash flow from 2016 through 2023. The report is being updated monthly and reviewed with the City's Finance Manager and URA Executive Director.

URA Topics

19. See prior report for an update on the flag display plan for Main Ave., continuing the Lions Club tradition for flag displays in 8 flag days per year. The Main Ave. project team has made progress on the sleeve details and locations. A plan is in place for their installation in front of each

business as requested by the URA Board and City Council. Each sleeve will be capped and will be flush with the pavers.

20. The City and URA representatives met with several merchants on 02JUN2017 to listed to merchants' concerns about being kept up to date on the progress of construction and expediting the work as much as possible. As a result, progress reports are being emailed to merchants (and URA Board and City Council) each week. Traffic control signage is being improved. The City is making an effort to keep unauthorized persons from using parking spaces in the lots behind the businesses, to keep these lots as open as possible for visitors/shoppers.
21. Paul Johnson has transitioned CH2M's Owner's Representative role to Perrin Robinson of CH2M's Boise office, as of July 6, 2017. Paul extends his wishes to the URA Board and staff, Mayor and City Council and staff, the merchants and citizens of Twin Falls for a successful outcome of the Main Ave. project. An excellent project team is in place with Guho as CM/GC leading the construction of the Main Ave. project.



Date: Monday, July 10, 2017
To: Urban Renewal Agency of the City of Twin Falls
From: Brent Hyatt

Request:

Consideration of a request to adopt the preliminary budget amount of \$15,530,275 and schedule a public hearing to take place during the scheduled August 14th meeting to take public input.

Time Estimate:

N/A

Background:

Chair Dan Brizee appointed a budget committee consisting of Dexter Ball, Neil Christensen, and Perri Gardner. Nathan Murray and Brent Hyatt developed a draft budget for the committee to review, which it did. Below are the highlights from this year's proposed budget:

- Management Fee: The management fee to the City is \$208,000;
- RAA 4-1: The Main Avenue construction has a budget of \$5,794,948 which approximates the cash flow prepared by CH2M. The budget under review anticipates funding from First Federal Savings Bank of \$2,800,000;
- RAA 4-3: The budget anticipates a repayment of \$4,061,334 on the operating line of credit from Chobani in addition to the scheduled bond and interest payments;
- RAA 4-4: It is anticipated that all the construction activity will be completed prior to the beginning of the fiscal year. Projected revenues for RAA 4-4 should be limited to the property taxes needed to make the scheduled debt payments on the Clif Bar bond;
- Rental Fund: The Agency has been notified by Twin Falls County that a valuation of the C3 property will result in a substantial increase in property taxes. The fiscal year under budget will be the year when the parking lot lease has a scheduled increase from \$72,000 to \$125,600;
- General Fund: The General Fund does not generate money. Overhead expenditures not directly attributable to any of the revenue allocation areas such as the management fee, dues, insurance, etc., are funded with transfers from other funds. For the second year, a transfer of \$30,000 is being budgeted to create a reserve in the General Fund.

Approval Process:

Today's discussion is a review of the proposed budget. If the board requests further changes, staff will make those changes and publish the proposed budget, notifying the public and informing them when they can give input to the board before adoption of the final budget. TFURA will hold a public hearing during the August 12th meeting and consider a request to adopt the budget after that public hearing.

Budget Impact:

Adoption of the preliminary budget and the scheduling of a public meeting begins the process of implementing a final budget for the agency's next fiscal year.

Regulatory Impact:

N/A

Conclusion:

We ask the board to adopt the preliminary budget amount of \$15,530,275 and have staff schedule a public hearing on the budget prior to adopting the final budget by September 1, 2017.

Attachments:

1. Budget Worksheet 2017-18 v1.1

Urban Renewal Agency of the City of Twin Falls, Idaho																				
Budget Estimates																				
Fiscal Year October 1, 2017 through September 30, 2018																				
				2016-2017 Budget								Actual	2017-2018 Budget							
	Three Years of Actual					Revenue Allocation			Zions Bank		Budget	10-1-16 to			Revenue Allocation			Zions Bank		Budget
	2013-2014	2014-2015	2015-2016	General	Rental Fund	4-1	4-3 (Chobani)	4-4 (Clif)	Chobani	Cliff	Total	6-30-17	General	Rental Fund	4-1	4-3 (Chobani)	4-4 (Clif)	Chobani	Cliff	Total
Revenue																				
Investment Income	2,893.50	12,247.00	20,809	9,000			500				9,500	31,534	12,000			3,000				15,000
Other Income											0	305								0
Grant Income/Contributions	2,750,000										0									0
Property Taxes	7,471,409	8,286,900	8,730,491			2,380,000	3,877,554		2,561,446	492,977	9,311,977	5,050,195			2,300,000	4,208,334		2,566,666	1,143,350	10,218,350
Administrative Fee																				
Rental Income	428,325	435,162	442,258		456,483						456,483	299,985		440,487						440,487
Clif Bar Line of Credit	4,552,043	9,564,411	7,263,667					606,000			606,000	809,780								0
Loan Proceeds (Net of Costs)		4,750,139	13,670,000			5,099,861					5,099,861	1,800,000			2,800,000					2,800,000
Sale of Assets											0									0
Total Revenue	15,204,670	23,048,859	30,127,225	9,000	456,483	7,479,861	3,878,054	606,000	2,561,446	492,977	15,483,821		12,000	440,487	5,100,000	4,211,334	0	2,566,666	1,143,350	13,473,837
Transfer - Operating				367,445	(67,445)	(150,000)	(150,000)				0		282,450	(332,450)	200,000	(150,000)				0
Forecasted Cash Carryover				0	430,000	2,900,000	0			487,158	3,817,158		0	600,000	1,761,475	0				2,361,475
Total Revenue and Cash Carryover				376,445	819,038	10,229,861	3,728,054	606,000	2,561,446	980,135	19,300,979	7,991,799	294,450	708,037	7,061,475	4,061,334	0	2,566,666	1,143,350	15,835,312
Expenditures																				
RAA 4-1	750,032	689,692	2,223,634			9,082,615					9,082,615	909,567			5,794,948					5,794,948
RAA 4-3 (Chobani)	2,007,996	3,476,019	632,612								0									0
RAA 4-4 (Clif Bar)	4,552,043	10,267,117	7,693,211					606,000			606,000	379,946								0
Bond Trustee Fees	3,000		3,000						3,000	2,000	5,000	3,000						3,000	2,000	5,000
Bonding Costs		97,538	39,500								0									0
Community Relations & Website	150	150	150	1,000							1,000	150	500							500
Debt Payments - Interest	271,211	285,458	1,255,394			99,546					99,546	26,995			179,527					179,527
Debt Payments - Principal	471,845	5,689,090	12,967,759			1,040,000					1,040,000				1,075,000					1,075,000
Debt Pay Interest - Chobani	1,960,284	1,488,983	1,372,570						1,319,446		1,319,446	1,319,446						1,263,666		1,263,666
Debt Pay Principal - Chobani	2,922,000	1,123,000	7,848,876						1,239,000		1,239,000	1,239,000						1,300,000		1,300,000
Debt Pay Interest - Clif Bar Bond										877,158	877,158	501,233							746,350	746,350
Debt Pay Principal - Clif Bar Bond										0	0								395,000	395,000
Payment on LOC/TIFF Balance							3,728,054				3,728,054					4,061,334				4,061,334
Dues and Subscriptions	2,250	750	1,150	2,300							2,300	850	2,300							2,300
Insurance Expense - ICRMP	8,060	5,617	2,877	6,045							6,045	3,022	6,650							6,650
Legal Expense (Notices)	510	621	7,382	30,000							30,000	31,677	30,000							30,000
Management Fee	136,500	229,000	114,500	198,000							198,000	99,000	208,000							208,000
Meeting Expense	2,152	3,295	2,213	3,500							3,500	1,286	3,500							3,500
Miscellaneous	148	10,048	10,023	2,500							2,500	25	500							500
Office Expense	553	323	432	600							600		500							500
Prof. Dev.\Training	800	967	-	2,500							2,500	500	2,500							2,500
Professional Fees			97,518	100,000							100,000	9,774	10,000							10,000
Property Tax Expense	36,075	36,148	36,631		37,750						37,750	28,606		125,600						125,600
Real Estate Exp. - Call Center	43,836	74,310	45,780		153,400						153,400	51,895		153,400						153,400
Real Estate Exp. - Other	2,342	14,169	5,831			7,700					7,700	9,409			12,000					12,000
Real Estate Lease	72,000	72,000	72,000		72,000						72,000	72,000		124,000						124,000
Real Estate Purchase				0							0		0							0
Increase in Reserve				30,000							30,000		30,000							30,000
Total Expense	13,243,788	23,564,295	34,433,043	376,445	263,150	10,229,861	3,728,054	606,000	2,561,446	879,158	18,644,114	4,687,381	294,450	403,000	7,061,475	4,061,334	0	2,566,666	1,143,350	15,530,275
	1,960,882	(515,436)	(4,305,818)	0	555,888	0	0	0	0	100,977	656,865	3,304,418	0	305,037	0	0	0	0	0	305,037



Date: Monday, July 10, 2017
To: Urban Renewal Agency of the City of Twin Falls
From: Nathan Murray

Request:

Consideration of a request to approve an agreement between the Twin Falls Urban Renewal Agency and The Historic Ballroom Building LLC for development of the sites at 205 & 219 Shoshone Street North.

Time Estimate:

N/A

Background:

The Historic Ballroom Building LLC ("the Developer") is planning to renovate the property located at 205 Shoshone Street North and has asked the Urban Renewal Agency of the City of Twin Falls (URA) to assist with the redevelopment of certain public properties adjacent to and affecting the project site.

Commitments between the two parties are outlined in the attached Development Agreement, and would be adhered to if approved by the URA Board.

In the agreement, the developer agrees to spend a minimum of \$3.5m to renovate their project site. The proposed uses include offices, retail and a proposed restaurant space. The URA would spend a maximum of \$350,000 to redevelop curb, gutter, sidewalk and the adjacent building to 205 Shoshone Ave North. It is anticipated that the URA will raze and backfill the property at 219 Shoshone Ave N to make it construction ready for the developer to add surface level improvements to the site.

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

Approval Process:

A majority vote by the Board would authorize the Chair to sign for the board and enter into the agreement.

Budget Impact:

\$350,000.00

Regulatory Impact:

N/A

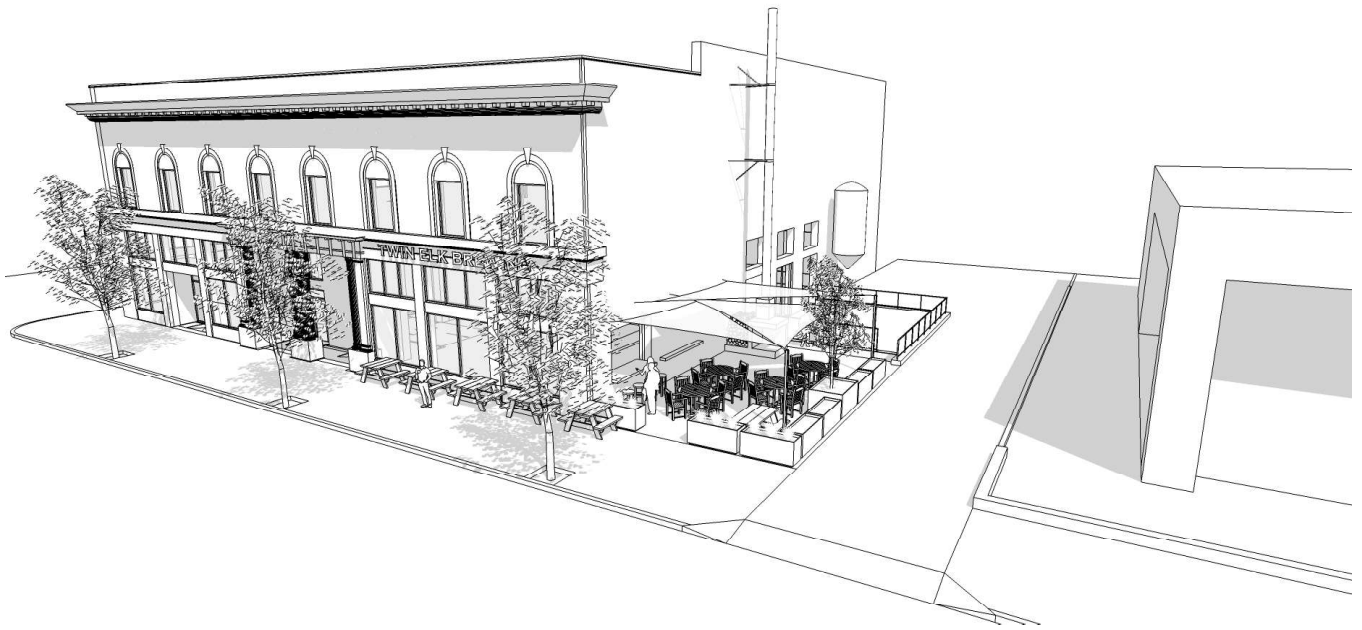
Conclusion:

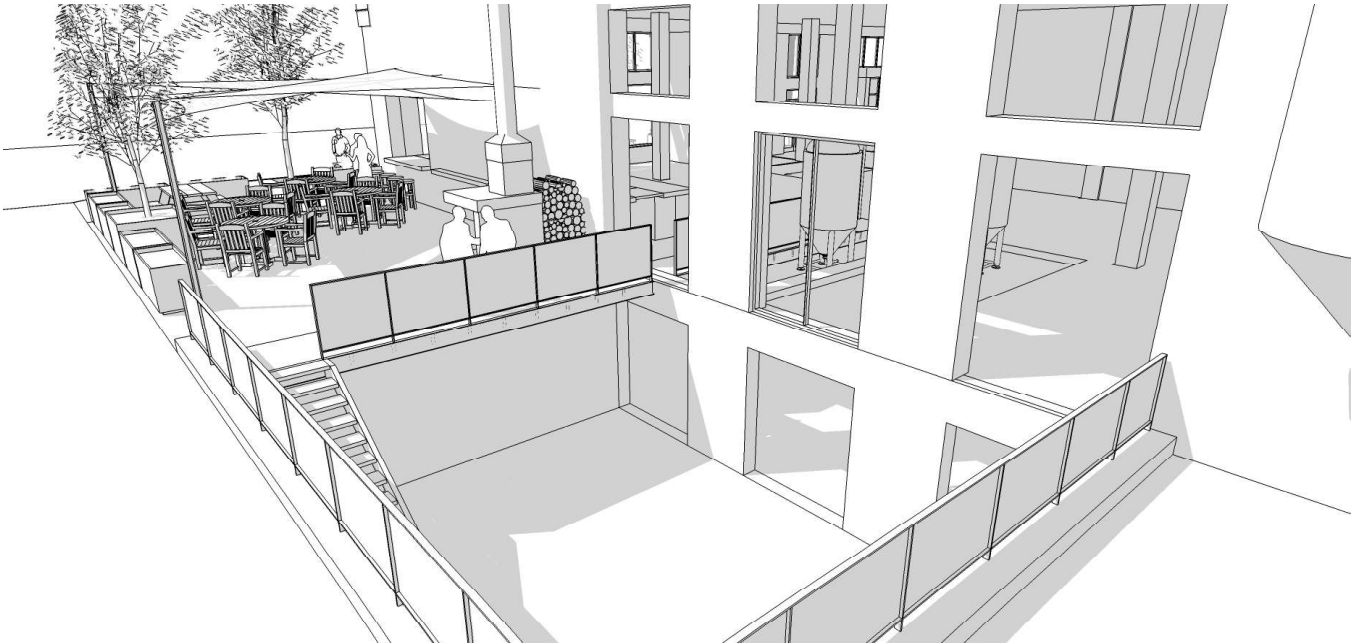
The Board previously authorized staff to solicit projects for this location through an RFP process. The Historic Ballroom Building LLC was a respondent to the RFP and has submitted a proposal that offers

value to the URA. The Developer's proposal advances the URA's goals to increase employment in downtown Twin Falls, increase the property tax base, attract customers, and encourage high-quality development. Staff recommends that the URA enter into the agreement with the Developer.

Attachments:

1. Proposed Plans
2. Development Agreement





DEVELOPMENT AGREEMENT

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

RECITALS

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

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

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

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

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

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

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

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

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

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

AGREEMENT

1. DEVELOPER'S OBLIGATIONS

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

- A. Developer shall purchase the building Project site located at 205 Shoshone Street North and legally described as Lots 28-31, Block 71, Twin Falls Townsite, Twin Falls County, Idaho.
- B. Developer shall restore the exterior of the building in accordance with the requirements of the Twin Falls Historical Preservation Commission.
- C. Developer shall renovate the interior of the building to provide for restaurant, retail and office space, which renovation will bring an estimated 65 jobs during construction and 65 new jobs on site after stabilization.
- D. Upon receipt of title from URA for the adjoining real property (Lot 32, Block 71, Twin Falls Townsite, Twin Falls County, Idaho, as provided for below), Developer shall construct improvements for parking and/or outside dining to serve the Project.

2. URA'S OBLIGATIONS

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

- A. The URA shall purchase Lot 32, Block 71, Twin Falls Townsite, Twin Falls County, Idaho, for the appraised value of \$120,000.
- B. The URA shall redevelop the property by demolition of the building and backfilling the existing basement, to provide for a construction ready site, and
- C. The URA shall transfer the redeveloped lot to the Developer, with restrictions limiting use of the property for ground-level parking/dining and basement access.
- D. Public utilities including water, sewer and power shall be replaced/improved to provide needed services for the Project.
- E. The URA shall redevelop the curb, gutter and sidewalk adjoining the Project on Shoshone Street North and 2nd Avenue North, to generally conform to the "look and feel" of the current Downtown Renaissance Project on Main Avenue. The parties understand that there are voids under the sidewalk encroaching from the Project basement under the sidewalk along Shoshone Street North. The redevelopment of the curb, gutter and sidewalk will include any needed retaining wall and engineered backfill to prepare the right of way for development of the curb, gutter and sidewalk.
- F. The URA shall pay for any landscaping costs associated with the redevelopment of the sidewalk areas along Shoshone Street and 2nd Avenue North, including but not limited to; trees, planters, irrigation, benches, bike racks.

- G. Pending approval from the City of Twin Falls, the URA shall redevelop the alley adjoining the Project that runs between 2nd Avenue North and the alley running parallel to 2nd Avenue North to be used as a pedestrian-only corridor. The redevelopment of the alley will include any needed surface improvements to manage surface drainage paving and bollards to prevent unauthorized vehicular traffic.
- H. The URA shall pay for any design/engineering needed for the redevelopment of the curb, gutter and sidewalk, and alley.
- I. The URA shall pay for the demolition, retaining wall, and backfill associated with the removal of the basement access to 205 Shoshone Street on 2nd Avenue North.
- J. The URA shall pay for the retaining wall and structural support to allow for a portion of the basement from the removed building at 219 Shoshone Street to be reused for basement access to 205 Shoshone Street.

3. POST CLOSING COVENANTS

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

4. MISCELLANEOUS

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

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

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

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

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

F. Survival of Provisions. Each covenant, condition, warranty and representation herein made shall survive the closing and not merge into the closing documents. All provisions which are to be performed or applied to circumstances subsequent to closing shall likewise survive the closing. If the Warranty Deed and this Agreement conflict in any manner, the terms of the Warranty Deed shall control.

G. Binding Effect. This Agreement shall be binding upon the heirs, estates, personal

representatives, successors and assigns of the parties hereto.

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

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

For URA:

_____, 2017

Urban Renewal Agency of the City of Twin Falls

By: _____

Name: Daniel B. Brizee

Its: Chairman

For Developer:

_____, 2017

The Historic Ballroom Project, LLC

By: _____

Name: Tyler Davis-Jeffers

Its: Member

STATE OF IDAHO)
)
) ss.
)
County of Twin Falls)

On this ____ day of July, 2017 before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared _____, known to me to be the **Chairperson of the Urban Renewal Agency for the City of Twin Falls, Idaho**, and acknowledged to me that s/he executed the foregoing instrument on behalf of the Urban Renewal Agency of the City of Twin Falls, Idaho, and acknowledged to me that the Urban Renewal Agency of the City of Twin Falls, Idaho executed the same.

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

NOTARY PUBLIC
Residing: _____
My Commission Expires: _____

STATE OF IDAHO)
 : ss.
County of Twin Falls)

On this ____ day of July, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ known to me to be the **Member** of _____, an Idaho _____, and acknowledged to me that he executed the foregoing instrument on behalf of said company, and that said company executed the same.

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

NOTARY PUBLIC
Residing: _____
My Commission Expires: _____



Date: Monday, July 10, 2017
To: Urban Renewal Agency of the City of Twin Falls
From: Nathan Murray

Request:

Consideration of a request to initiate the sale of Twin Falls Urban Renewal Agency owned property located at 851 Pole Line Road.

Time Estimate:

N/A

Background:

In May, Staff published an RFP to see what kind of interest existed for the purchase of TFURA owned property at 851 Pole Line Rd. The property is currently occupied by C3/Customer Contact Channels.

Staff received two proposals in response to the request, both of which are attached to this report. One offer was for \$1.8m from a group called Alturas Capital. A second offer was for \$2m from a group called Eagle Financial, LLC.

The URA is under no obligation to sell the property at this time, but pursuant to previous discussions with the Board regarding the long-term goals of the URA, now was deemed an appropriate time to measure interests in the property and to maximize the potential of an asset if one exists.

The URA is under obligation to notify members of an ownership group which has a right of refusal to purchase the property, pursuant to an agreement entered into November 8, 2002. These parties included Rick White, the owner of Lot 2 & 3 in the Concept 91 Business Park, and Systems Capital, the owners of Lots 7 & 8. Staff has notified these groups verbally that sale of the C3 Building is being considered by the Board. If the Board elects to move forward with selling the property, the parties will be notified in writing and given the appropriate time to respond.

In regards to the financial status of the property, it is a profitable asset. Last year, the property grossed \$427,595.85 in rents. Minus \$170,939.27 in expenses, and the net gain for the URA was \$256,656.71. It is anticipated that the net revenue in coming years will be less considering an increase in \$52,000 on rents for the obligated satellite parking lot, as well as an increase in taxes owed to Twin Falls County in an amount somewhere between \$60-90,000.

Approval Process:

A majority vote by the Board with authorize staff to move forward in negotiations for the sale of the property. Staff would notify the affected ownership groups of their right to purchase the property. A final purchase and sale agreement would be voted upon by the URA Board.

Budget Impact:

The proceeds of a sale would be added as income to the URA Budget.

Regulatory Impact:

N/A

Conclusion:

Staff feels that the two responses being considered are reasonable and fair offers, although they are less than the value set by the most recent appraisal of the property performed in June '16 which was \$2.26m.

The current and long-term goals of the URA are to generate redevelopment and job creation in Downtown and its environs. Sale of the property at this time could be applied to projects in and near the downtown core and return this asset to the hands of the private sector.

Attachments:

1. Attachment 1- Alturas
2. Attachment 2- Eagle Financial

June 12, 2017

Nathan Murray
Twin Falls Urban Renewal Agency

RE: 851 Pole Line Road

Dear Mr. Murray:

Alturas ("Buyer") respectfully submits this non-binding Letter of Intent for the acquisition of the herein referenced property, Alturas hereby proposes the following:

PROPERTY:	851 Pole Line Road, Twin Falls, ID 83301
BUYER:	Alturas Real Estate Fund, LLC and/or assigns
SELLER:	Twin Falls Urban Renewal Agency
PURCHASE PRICE:	\$1,800,000
PURCHASE AGREEMENT:	This transaction is subject to the negotiation and execution of a Purchase and Sale Agreement ("Purchase Agreement"), in form and substance satisfactory to both parties. Upon Seller's acceptance of this Letter of Intent, Buyer shall prepare the Purchase and Sale Agreement and submit it to the Seller within five (5) business days.
CONDITIONAL PRESIDENCE:	Buyer's decision to proceed with the purchase of the property is contingent upon its review, analysis and acceptance in its sole discretion of all matters related to the physical, legal, and economic conditions of the property.
EARNEST MONEY DEPOSIT:	Within three (3) business days following the mutual execution of the Purchase and Sale Agreement, Buyer will deposit \$90,000 into an escrow account which shall be released to the Seller subject to the Due Diligence Period described below. Any release of Earnest Money shall be applied to the Purchase Price.
DUE DILIGENCE PERIOD:	Buyer will have 90 days to perform Due Diligence ("Due Diligence Period") during which time Buyer may terminate the Purchase and Sale Agreement for any reason in their sole discretion and will receive a refund of all Earnest Money. If Buyer chooses to proceed with the transaction, then the Earnest Money shall become non-refundable and will be immediately released to the Seller at the end of the Due Diligence Period.
CLOSING COSTS:	All normal closing costs shall be shared by the parties on a 50/50 basis except the costs of ALTA Standard Coverage Title Insurance and brokerage commission, which shall be the sole responsibility of the Seller.
ESCROW/TITLE:	NexTitle
CLOSING:	Closing shall take place no later than 30 days following the expiration of the due diligence period.

Should the aforementioned terms be acceptable, please execute the signature block provided below. Only an executed Purchase and Sale Agreement between the parties constitutes a legally binding agreement.

Please feel free to contact me with any questions you might have.

Best Regards,



Devin Morris
Director of Acquisitions
Alturas Real Estate Fund
devinmorris@alturas.com

Agreed and Accepted:

Seller:

By:

Its:

Date:

Eagle Financial, LLC | Chris Jones

510 2nd Ave S. Twin Falls, ID 83301 | 208-539-1246 | chris@planttherapy.com

June 29, 2017

Nathan Murray

Director

Twin Falls Urban Renewal Agency

103 Main Ave E.

Twin Falls, ID 83301

Dear Nathan Murray:

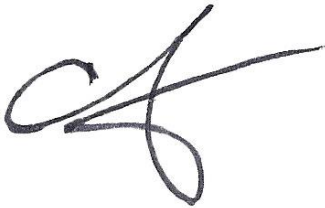
After reviewing the RFP for the real property located at 851 Pole Line Road in Twin Falls, Idaho, I would like to make an offer to purchase with the following conditions:

- 1) Purchase price to be \$2,000,000 (Two Million Dollars)
- 2) Offer subject to acceptable financing being obtained
- 3) Offer subject to acceptable tour and inspection

As you are aware, we would like to work with C3 to get a new lease in place to keep them as a long-term tenant. If this is not possible we will probably plan to move Plant Therapy into that space.

We would also potentially set up a new LLC to purchase the building. So the purchasing entity may change.

Sincerely,

A handwritten signature in dark ink, appearing to be 'CJ' with a long horizontal stroke extending to the right.

Chris Jones, Eagle Financial, LLC.