



Urban Renewal Agency Agenda

Thursday, August 27, 2020, 11:00 AM

**** SPECIAL MEETING ****

Council Chambers

203 Main Avenue East- Twin Falls, Idaho

Members: Rudy Ashenbrener, Cindy Bond, Andy Hohwieler, Doug Vollmer, Dan Brizee, Jan Rogers, Alexandra Caval

1) Public Comment Instructions

- a) To provide public comment for items on this agenda, please email lbauer@tfid.org and put "**Public Comment**" in the subject line. Comments must be received prior to 10:00 a.m. on the date of this meeting. The comments will be read into the record.

2) Confirmation of Quorum/Call Meeting to Order

3) Conflict of Interest Declaration

4) Items of Consideration

- a) **DISCUSSION:** Discussion to consider a request to amend the deadlines of the existing Disposition & Development Agreement relating to the 160 Main Avenue South Development.

By: Executive Director, Nathan Murray

5) Upcoming Meeting(s)

- a) Monday, September 14, 2020, at 12:00 pm.

6) Adjournment

- a) **ACTION ITEM:** Executive Session pursuant to Idaho Code: §74-206(1)(c) to acquire an interest in real property not owned by a public agency.

The meeting will not return to open session.

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.



Date: Thursday, August 27, 2020
To: Urban Renewal Agency of the City of Twin Falls
From: Nathan Murray

DISCUSSION

Request:

Discussion to consider a request to amend the deadlines of the existing Disposition & Development Agreement relating to the 160 Main Avenue South Development.

Time Estimate:

N/A

Background:

Per the conditions of the most recent amendment to the Agency's Disposition and Development Agreement (DDA) with OneSixty LLC (the Developer), the Developer has until September 1, 2020, to obtain written acceptance from DL Hope to reinforce the shared wall between the neighboring property, and begin demolition of 160 Main Ave S. The Developer was also to perform asbestos removal at 160 Main, and satisfy any remaining requirements with the City of Twin Falls to obtain a building permit. Failure to perform could result in a \$10,000.00 payment from the Developer to the Agency. (see attached Resolution #2020-11).

To date, the Developer has performed the asbestos removal and satisfied the requirements for a building permit, but they still have not been able to secure entrance into the neighboring building to perform the structural work necessary to begin demolition of 160 Main Ave. The Developer is asking for an extension of the August 31st deadline, and not to be charged an extension fee.

In addition, the developer has a revised budget for demolition and structural support that exceeds the previously agreed to amount by the Agency of \$350k (see attached estimate). The revised amount is \$428k.

Extension of the deadline will affect the start of demolition, the financing contingency, closing dates, start of construction, and the completion of construction. All these points need to be addressed in a revised amendment to the DDA should the Board agree to authorize an extension.

Approval Process:

No vote is needed at this time as this is a discussion item.

Budget Impact:

N/A

Regulatory Impact:

N/A

Conclusion:

The Board needs to decide whether to ask legal council to draft a Fifth Amendment to the DDA and continue it's relationship with OneSixty LLC as the Developer of the project at 160 Main Ave S.

Attachments:

1. Resolution 2020-11 = OneSixty DDA - 4th Amd
2. Demo Budget Analysis 18AUG20

RESOLUTION NO. 2020-11

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

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, AUTHORIZING AGENCY TO ENTER INTO THE FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, AND ONESIXTY LLC; AND AUTHORIZING THE CHAIR OR VICE-CHAIR TO EXECUTE AND THE SECRETARY TO ATTEST SAID FOURTH AMENDMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR AND VICE-CHAIR TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE FOURTH AMENDMENT AND TO MAKE ANY NECESSARY TECHNICAL CORRECTIONS TO THE FOURTH AMENDMENT SUBJECT TO CERTAIN CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of the City of Twin Falls, Idaho, 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, on May 4, 1998, 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, on August 26, 2013, the City Council, after notice duly published, conducted a public hearing on the Amended Urban Renewal Plan for Revenue Allocation 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, in order to achieve the objectives of the Amended RAA #4-1 Plan, the Agency acquired real property for the revitalization of areas within the Project Area generally located at 160 Main Avenue South, Twin Falls, Idaho 83301 (the "Site"). The Site was acquired by the Agency in 2017;

WHEREAS, following a competitive selection process pursuant to Idaho Code § 50-2011, on August 12, 2019, the Agency Board approved Resolution No. 2019-08 entering into a Disposition and Development Agreement (the "DDA") with the Developer for the conveyance of the Site and for the Developer to complete demolition of the Site and construct improvements on the Site, as more particularly described in the DDA. The DDA has an Effective Date of August 29, 2019, and a Closing date of June 29, 2020;

WHEREAS, Sections 5.1 and 13.7 of the DDA require all amendments to the DDA and extensions to the Schedule of Performance to be in writing and signed by the Agency and Developer;

WHEREAS, under Section 4.1 of the DDA, the Developer's Submission of Preliminary Evidence of Financing is due "[n]o later than ninety (90) days after the Effective Date or such later time as may be approved by Agency....";

WHEREAS, the Developer's deadline to submit preliminary evidence of financing was November 27, 2019;

WHEREAS, on November 26, 2019, Developer requested Agency grant an extension of the deadline to submit preliminary evidence of financing to January 31, 2020;

WHEREAS, the First Amendment to the Disposition and Development Agreement, was adopted by the Agency Board on December 9, 2019, by Resolution No. 2019-09, and dated effective December 13, 2019;

WHEREAS, on February 24, 2020, Developer requested Agency grant a second extension of the deadline to submit preliminary evidence of financing to March 31, 2020;

WHEREAS, the Second Amendment to the Disposition and Development Agreement, was adopted by the Agency Board on March 25, 2020, by Resolution No. 2020-04, and dated effective March 25, 2020;

WHEREAS, on June 8, 2020, Developer requested Agency grant a third extension of the deadline to extend the Closing Date to September 30, 2020, and to extend the related deadlines set forth in the DDA;

WHEREAS, the Third Amendment to the Disposition and Development Agreement, was adopted by the Agency Board on June 22, 2020, by Resolution No. 2020-10, and dated effective June 30, 2020. Collectively the DDA as amended may be referred to as the “DDA;”

WHEREAS, the Idaho Youth Ranch building (“IYR Building”), located on the Site, shares a common wall with the Extreme Staffing building (“ES Building”), located on Lot 13, Block 103 as shown on that certain map entitled “FINAL AND AMENDED PLAT OF TWIN FALLS TOWNSITE”, recorded December 4, 1904 as Instrument No. 0000-000040, in the office of the County Recorder of Twin Falls County. The ES Building is owned by D L Hope LLC, an Idaho limited liability company (“D L Hope”);

WHEREAS, each of the IYR Building and the ES Building provides lateral support to their common wall. Demolition of the IYR Building contemplated by the DDA and the Early Entry and Reimbursement Agreement between the parties dated August 28, 2019 (“EEA”), as amended, will remove the lateral support to the common wall provided by the IYR Building. The new building that is the subject of the DDA will not share a common wall with the ES Building;

WHEREAS, Developer has offered to reinforce the ES Building, at Developer’s expense (subject to reimbursement in accordance with the EEA), in accordance with plans and specifications dated May 1, 2020 (“Reinforcement Plans”) prepared by Axiom PLLC, an Idaho professional limited liability company;

WHEREAS, D L Hope has not accepted Developer’s offer to reinforce the ES Building;

WHEREAS, on July 13, 2020, at an Agency regular meeting, Developer requested a contingency to Developer’s obligations under the DDA and the EEA for the acceptance and cooperation of D L Hope in reinforcement of the ES Building;

WHEREAS, the parties desire to amend the DDA to document the condition for the acceptance and cooperation of D L Hope in reinforcement of the ES Building in accordance with the Reinforcement Plans based on the terms and conditions contained herein;

WHEREAS, Agency staff recommends approval of the Fourth Amendment to the DDA;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Fourth Amendment to the DDA and to authorize the Chair or Vice-Chair to execute and the Secretary to attest the Fourth Amendment to the DDA, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

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

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

Section 2: That the Fourth Amendment to the DDA, a copy of which is attached hereto as Exhibit A and incorporated herein as if set out in full, providing for a contingency to Developer's obligations under the DDA and the EEA for the acceptance and cooperation of D L Hope in reinforcement of the ES Building is hereby approved and adopted.

Section 3: That the Chair or Vice-Chair of the Board of Commissioners of the Agency are hereby authorized to sign and enter into the Fourth Amendment to the DDA and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the Fourth Amendment to the DDA, subject to representations by the Executive Director and Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Fourth Amendment to the DDA or other documents are acceptable upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the Fourth Amendment to the DDA and the comments and discussions received at the July 13, 2020, Agency Board meeting. Agency is further authorized to appropriate any and all funds contemplated by the DDA and the EEA, as amended, and to perform any and all other duties required pursuant to said Fourth Amendment to the DDA.

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

PASSED AND ADOPTED by the Urban Renewal Agency of the City of Twin Falls, Idaho, on July 13, 2020. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on this 13th day of July 2020.

APPROVED:



Cindy R. Bond, Chair

ATTEST:


Andy Hohlwiler, Secretary

4819-0273-3762, v. 1

Exhibit A

Fourth Amendment to the DDA

Fourth Amendment to the Disposition and Development Agreement

**Urban Renewal Agency of the City of Twin Falls, Idaho
and**

OneSixty LLC, an Idaho limited liability company

160 Main Avenue South Property

THIS FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT ("Amendment") is entered by and between the Urban Renewal Agency of the City of Twin Falls, Idaho, a public body, corporate and politic (the "Agency"), organized pursuant to the Idaho Urban Renewal Law of 1965, title 50, chapter 20, Idaho Code, as amended ("Law"), and undertaking projects under the Local Economic Development Act, title 50, chapter 29, Idaho Code, as amended (the "Act"), and OneSixty LLC, an Idaho limited liability company ("Developer"), collectively, the Agency and Developer may be referred to as the "parties" and each individually as a "party". The "Effective Date" of this Agreement is the date last signed by both parties below.

RECITALS

WHEREAS, the parties entered into that certain Disposition and Development Agreement dated August 29, 2019 ("DDA"), and Agency Consent Pursuant to Section 2.7 of the Disposition and Development Agreement dated August 29, 2019, as amended by that certain First Amendment to the Disposition and Development Agreement dated effective December 13, 2019, that certain Second Amendment to the Disposition and Development Agreement dated effective March 25, 2020, and that certain Third Amendment to the Disposition and Development Agreement dated effective June 30, 2020 (collectively "Agreement"). The Agreement's recitals are incorporated herein by reference. Any terms capitalized but not defined in this Amendment will have the same meaning as in the Agreement;

WHEREAS, the Agreement provides for the Agency to convey certain real property located in the City of Twin Falls, and Twin Falls County, Idaho, as more particularly described in the Agreement ("Property"), and for the Developer to complete demolition on and for the Property (subject to reimbursement in accordance with the Early Entry and Reimbursement Agreement between the parties dated August 28, 2019 ("EEA")) and construct improvements on the Property, as more particularly described in the Agreement;

WHEREAS, the Idaho Youth Ranch building ("IYR Building"), located on the Property, shares a common wall with the Extreme Staffing building ("ES Building"), located on Lot 13, Block 103 as shown on that certain map entitled "FINAL AND AMENDED PLAT OF TWIN FALLS TOWNSITE", recorded December 4, 1904 as Instrument No. 0000-000040, in the office of the County Recorder of Twin Falls County. The ES Building is owned by D L Hope LLC, an Idaho limited liability company ("D L Hope");

WHEREAS, each of the IYR Building and the ES Building provides lateral support to their common wall. Demolition of the IYR Building contemplated by the Agreement and the EEA will remove the lateral support to the common wall provided by the IYR Building. The new building that is the subject of the Agreement will not share a common wall with the ES Building;

WHEREAS, as part of the demolition for the Property, Developer has offered to reinforce the ES Building, at Developer's expense (subject to reimbursement in accordance with the EEA), in accordance with plans and specifications dated May 1, 2020 ("Reinforcement Plans") prepared by the project engineer, Axiom PLLC, an Idaho professional limited liability company, and approved by Developer and Agency;

WHEREAS, D L Hope has not accepted Developer's offer to reinforce the ES Building;

WHEREAS, on July 13, 2020, at an Agency regular meeting, Developer requested a contingency to Developer's obligations under the Agreement and the EEA for the acceptance and cooperation of D L Hope in reinforcement of the ES Building; and

WHEREAS, the parties desire to amend the Agreement to document the condition for the acceptance and cooperation of D L Hope in reinforcement of the ES Building in accordance with the Reinforcement Plans based on the terms and conditions contained herein.

AGREEMENT

NOW THEREFORE, for valuable consideration, the sufficiency and receipt of which is hereby acknowledged by the parties, the parties agree as follows:

1. **Early Entrance/Demolition.** Developer will have until September 1, 2020 to obtain D L Hope's written acceptance of Developer's offer to reinforce the ES Building, at Developer's expense, in accordance with the Reinforcement Plans, and D L Hope's cooperation in construction of the improvements contemplated by the Reinforcement Plans ("Demolition Approval Deadline"). If this condition is not fully satisfied at any time prior to the Demolition Approval Deadline, Developer may terminate the Agreement and the EEA by written notice to the Agency on or before the Demolition Approval Deadline. If Developer does not provide written notice to terminate, Developer will be deemed to have waived this condition. In the event Developer waives this condition, demolition will be completed in compliance with all applicable permits, codes, ordinances, and laws. The parties agree that this Section 1 will survive Closing.
2. **Asbestos Abatement.** Developer has agreed, with the Agency's approval, to proceed with the asbestos abatement in and about the IYR Building to be completed no later than August 31, 2020 in accordance with the EEA and this Agreement. The Agency agrees and confirms that the Abatement is a cost eligible for reimbursement if costs are documented and submitted as required in the EEA. The estimated cost of the Abatement is \$31,400; provided that this estimated amount does not adjust the total not-to-exceed amount for reimbursement stated in Section 7 of the EEA. In the event that the Agreement and the EEA are terminated in accordance with Section 1 hereof, the parties agree that this Section 2 (with the applicable reimbursement provisions of the EEA) will survive such termination.
3. **Miscellaneous.** All recitals and exhibits are incorporated and made a part of this Amendment. Except as modified herein, the Agreement remains in full force and effect. In the event of a conflict or an inconsistency between this Amendment and the Agreement, the terms and conditions of this Amendment shall control. The parties agree that the EEA is amended by this Amendment, and, in the event of conflict or inconsistency, the terms and conditions of this Amendment will control.

[End of Text]

EXECUTED EFFECTIVE as of the Effective Date.

_____, 2020

AGENCY:

URBAN RENEWAL AGENCY OF THE CITY OF
TWIN FALLS

By _____
_____, Chair

_____, 2020

DEVELOPER:

ONESIXTY LLC, an Idaho limited liability company

By: GO QOZ TWIN FALLS LLC, an Idaho limited
liability company

Its Sole Member

By: GALENA OPPORTUNITY, INC., an
Idaho corporation

Its Manager

By: _____
Bill Truax, President

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 2020, before me, _____, the undersigned notary public in and for said county and state, personally appeared Cindy R. Bond, known or identified to me to be the Chair of the URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, the public body, corporate and politic, that executed the within instrument on behalf of said Agency, and acknowledged to me that such Agency executed the same for the purposes herein contained.

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

Notary Public for Idaho
My commission expires _____

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 2020, before me, _____, a Notary Public in and for said State, personally appeared Bill Truax, known or identified to me to be the President of GALENA OPPORTUNITY, INC., an Idaho corporation, the Manager of GO QOZ TWIN FALLS LLC, an Idaho limited liability company, the Sole Member of ONESIXTY LLC, a limited liability company, "Developer" herein, and acknowledged to me that he executed the within instrument on behalf of said Developer for the purposes herein contained.

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

Notary Public for Idaho
My commission expires _____

8/17/2020

Demolition Budget Analysis



Company	Description	Cost
Axiom	Contract for Extreme Staffing Report (including site visit) (Completed)	\$13,619
Axiom	Contract for Extreme Staffing TI Construction Drawings (Completed)	\$18,800
Rocky Mountain Transport & Excavation	Demo & Remove Building	\$92,000
Rocky Mountain Transport & Excavation	Backfill Basement & Compact	\$57,093
Intermountain Construction & Abatement	Asbestos Abatement (Completed)	\$31,400
Starr Corporation	Cost for Structural retrofit for the Extreme Staffing Building	\$215,340
City of Twin Falls	Demo Permit Cost	\$42
	Total	\$428,294