THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Urban Renewal Agency Agenda

Monday, December 14, 2020, 12:00 PM

Council Chambers
203 Main Avenue East- Twin Falls, Idaho

Council Chambers will be open to the public in accordance with the Modified Stage 2 requirements. Pursuant to the State of Idaho and Department of Health and Welfare Stay Healthy Order, dated November 14, 2020, Council Chamber's 6-foot social distancing occupancy capacity is 10 in addition to attending Agency Commissioners and staff. The first 10 persons who appear will be allowed to be present in the meeting location. Face covering and social distancing are required.

Citizens can participate by:

1) **Livestream**: The public may view the meeting at https://www.tfid.org, Agendas, Minutes & Videos. Streaming video is live with a 30-second delay.
2) **Email:** 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 11:00 AM on the date of this meeting in order to be included in the meeting record.

If there are any questions, contact Lorrie Bauer at lbauer@tfid.org or 208-735-7313.

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

1) Confirmation of Quorum/Call Meeting to Order

2) Consent Calendar

   a) **ACTION ITEM:** Request to approve 1) Minutes for the October 14, 2020 meeting; 2) October 2020 Financial Report; 3) Minutes for the October 29, 2020, special meeting; 4) November 2020 Financial Report, 5) November 2020 Accounts Payable, and 6) December 2020 Accounts Payable.

3) Reports/Updates

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

4) Items of Consideration

   a) **ACTION ITEM:** Consideration of a request to approve the Schedule of Regular Meetings for 2021.

   b) **ACTION ITEM:** Consideration of a request to sign Resolution No. 2020-17 to enter into an Exclusive Right to Negotiate with Galena Opportunity Fund for development of a mixed-use building and parking structure on property owned by the City of Twin Falls generally located at 153 2nd Ave S.

      By: Nathan Murray, Executive Director

   c) **ACTION ITEM:** Consideration of a request to sign Resolution No. 2020-18 approving the 6th Amendment to the Disposition & Development Agreement relating to the 160 Main Avenue South development to address the reimbursement of certain electrical infrastructure and an update to the status of financing contingency.

      By: Nathan Murray, Executive Director

d) **DISCUSSION:** Discussion regarding the disposition of Agency property.
By: Nathan Murray, Executive Director

5) General Input/Announcements

6) Upcoming Meeting(s)

   a) The next scheduled meeting is Monday, January 11, 2021.

7) 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

Wednesday, October 14, 2020, 12:00 PM

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) **Confirmation of Quorum/Call Meeting to Order**

Present:	Doug Vollmer, Rudy Ashenbrener, Alexandra Caval, Dan Brizee, Andy Hohwieler, Cindy Bond, Jan Rogers
Absent:	None
Staff Present:	Nathan Murray, Executive Director; Brent Hyatt, Assistant Finance Officer; Jesse Schuerman, Engineer; Leila Sanchez, Recording Secretary; Meghan Conrad and Amanda Schaus, Special Counsel; and Ruth Pierce, City Council Liaison

Chair Ashenbrener called the meeting to order at 12:00 PM. A quorum was present.

2) **Conflict of Interest Declaration**
The Chair asked for disclosures of conflict of interest. None were disclosed at this time.

3) **Consent Calendar**

a) Request to approve 1) Minutes for September 14, 2020 meeting; 2) September 2020 Financial Report; 3) October 2020 Accounts Payable.
MOTION: Cindy Bond moved to approve the consent calendar. Doug Vollmer seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

4) **Reports/Updates**

a) Discussion and deliberation regarding the scheduling of a URA Board strategy meeting for determining scope and method of sale regarding URA owned properties.
The Chair wants to arrange a special time to meet with the Board to discuss a strategy for the disposition of remaining property owned by the Board. The meeting would be open to the public, but it would be a discussion about remaining property, their values, and whether or not there was development potential, or if the lots should be sold as surplus. Staff was asked to provide additional information about the properties to the Board prior to the meeting.

b) Discussion and deliberation on the scope and scheduling of a URA Board workshop to consider a new allocation area.
The Chair requested time to meet with the Board at a future meeting to discuss a new allocation area. The meeting would be open to the public. Staff agreed to send out a Doodle Poll to identify an appropriate time.

5) **Items of Consideration**

a) Consideration of a request to spend $10,486.00 for a new power pole and transmitter to be located in the alleyway midway between Hansen & Idaho St. and 2nd Ave & 3rd Ave S.
Lisa Buddecke the applicant, explained the request. Discussion followed. Board member Alex Caval stepped down as her father is the adjacent property owner. Dan Brizee stepped down as he had been previously hired prior to his appointment to the board to do work on this building, and he remains involved in the redevelopment of this project.

MOTION: Cindy Bond moved to reimburse the applicant $10,486.00 for a new power pole and transmitter to be located in the alleyway midway between Hansen & Idaho Street and 2nd Ave & 3rd Avenue with the adjacent lot having the ability to tap into that sub-power and that reimbursement come back to the URA. Jan Rogers seconded the motion. Roll call vote showed all members present voted. Approved 5 to 0.

b) Consideration of a request to sign Resolution No. 2020-16 approving the renewal of a lease agreement with the U.S. Veterans Administration on agency owned property at 260 2nd Ave E.
Nathan Murray shared Agenda items b) and c) are connected and that this item relates only to the lease. After researching current lease rates in the area, a new triple-net lease is currently being negotiated with the current tenant. Discussion ensued.

MOTION: Alexandra Caval moved to approve the lease with the VA according to the lease attached to the action item and give the Chair authority to sign off on it. Andy Hohwieler seconded the motion. Special Council Conrad noted Resolution #2020-16 and the need for a revised motion. Commissioner Caval amended her motion to give the Chair authority to sign Resolution No. 2020-16 to approve the renewal of the lease with the caveat that the language needing to be clarified at the end regarding the maintenance. Roll call vote showed all members present voted. Approved 7 to 0.

c) Consideration of a request to sign Resolution No. 2020-14 approving as to form an agreement as to form a Purchase & Sale Agreement of agency-owned property at 260 2nd Ave E.
Nathan Murray introduced the agenda item as discussed in previous meetings and shared the recent appraisal came back at $375,000. The Agency received an offer to purchase for $350,000. It was clarified that Resolution 2020-14 is to approve the agreement only as to form and not enter into the agreement as well as authorize the notice to be published in the paper soliciting other responses interested in this property. Discussion ensued.
MOTION: Dan Brizee moved to put the building up for sale by making a counteroffer of $375,000 to the people who expressed interest at the appraisal rate which would open the sale of the property to the public. Doug Vollmer seconded the motion. Counsel clarified the purpose of the Resolution. Dan Brizee amended his motion and moved to adopt Resolution 2020-14 approving the agreement in form with the exception of changing the price or countering at $375,000 and if the counter is not accepted, we will not move forward. Doug Vollmer seconded the amended motion. Roll call vote showed all members present voted. Approved 7 to 0.

d) Consideration of a request to sign Resolution No. 2020-15 approving the Fifth Amendment to the Disposition & Development Agreement relating to the 160 Main Avenue South development to address an amended schedule of performance and updated reimbursement costs.
Nathan Murray introduced the agenda item. Amanda Schaus added this amendment is tying up loose ends and documenting timeframes such as demolition, approval of project budget and financing, property transfer, commencement, and completion. Bill Truax, the developer, shared building activity, following demolition, should begin around November 18th. They are currently negotiating financing with their lending parties. He explained increased costs due to shoring and the need for upgrading power transformers per Idaho Power. Discussion ensued.
MOTION: Dan Brizee motioned to approve Resolution No. 2020-15. Cindy Bond seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

e) Consideration of a request to enter into an exclusive right to negotiate with Galena Opportunity Fund for development of a mixed-use building and parking structure on property owned by the City of Twin Falls generally located at 153 2nd Ave S.
Nathan introduced the agenda item and a status update was presented. A request for proposals to develop the property was published earlier this year with one response received. The response was for a mixed-use building and parking structure. Negotiations will continue with Galena Opportunity Fund to develop the site. The City is working on transferring the property to the Agency if necessary. The

Exclusive Right to Negotiate is currently drafted and will be presented for approval prior to a Disposition and Development Agreement at a later date. Discussion ensued.

f) Consideration of a request to perform environmental and geotechnical analysis on agency owned property located generally at 250 3rd Ave S.
Nathan Murray shared the property is currently a parking lot next to St. Luke's. The Agency has been approached to develop the property. To prepare for the possibility of development, additional analysis of the soil is necessary. A foundation study would let us know if the site could be developed as well as what type of use, if any, and if any remediation would be necessary prior to development. Discussion ensued.
MOTION: Andy Hohwieler moved to approve the request for environmental and geotechnical analysis on agency property at 250 3rd Ave. S. Cindy Bond seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

6) General Input/Announcements - Public/Staff
Property analysis will be completed on other Agency owned properties to be able to provide full disclosure prior to the sale of the properties.

Washington Street South Plan: The plan was filed with the State Tax Commission and the area was created. The area encompasses approximately 80 acres. Gem State Dairy shared last March that they were placing their project on hold indefinitely. Nathan will reach out for an update.

7) Upcoming Meeting(s)

a) Monday, November 9, 2020 @ 12:00 P.M.

8) Adjournment
The meeting adjourned at 1:27 PM.

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Leila Sanchez, Recording Secretary

Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss
October 2020

			Oct 20
Ordinary Income/Expense			
Income			
Investment Income			30.86
Property Taxes			8,707.01
Rental Income			1,333.33
Total Income			10,071.20
Gross Profit			10,071.20
Expense			
RAA 4-1			
City Property Expense			
Commons (129 Hansen) & Main	1,566.34		
Bowyer Park (122 4th Ave S)	10.07		
Total City Property Expense		1,576.41	
Youth Ranch (160 Main Ave S)		266.88	
Other Properties/Projects		4,766.37	
Total RAA 4-1			6,609.66
Dues and Subscriptions			4,600.00
Legal Expense			10,700.80
Meeting Expense			137.85
Total Expense			22,048.31
Net Ordinary Income			-11,977.11
Net Income			**-11,977.11**

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October 2020

	Oct 20	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Investment Income	30.86	105,200.00	-105,169.14	0.0%
Other Income	0.00	150,000.00	-150,000.00	0.0%
Property Taxes	8,707.01	7,718,000.00	-7,709,292.99	0.1%
Rental Income	1,333.33	15,996.00	-14,662.67	8.3%
Total Income	10,071.20	7,989,196.00	-7,979,124.80	0.1%
Gross Profit	10,071.20	7,989,196.00	-7,979,124.80	0.1%
Expense				
General Development Projects	0.00	1,928,616.00	-1,928,616.00	0.0%
RAA 4-1				
City Property Expense				
Commons (129 Hansen) & Main	1,566.34			
Bowyer Park (122 4th Ave S)	10.07			
Total City Property Expense	1,576.41			
Youth Ranch (160 Main Ave S)	266.88			
Other Properties/Projects	4,766.37			
RAA 4-1 - Other	0.00	699,367.00	-699,367.00	0.0%
Total RAA 4-1	6,609.66	699,367.00	-692,757.34	0.9%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	0.00	1,514,313.00	-1,514,313.00	0.0%
Debt Pay. (Chobani) Principal	0.00	2,240,687.00	-2,240,687.00	0.0%
Total RAA 4-3 (Chobani)	0.00	3,755,000.00	-3,755,000.00	0.0%
Bond Trustee Fees	0.00	5,000.00	-5,000.00	0.0%
Community Relations & Website	0.00	500.00	-500.00	0.0%
Debt Payments - Interest	0.00	743,833.00	-743,833.00	0.0%
Debt Payments - Principal	0.00	2,925,000.00	-2,925,000.00	0.0%
Dues and Subscriptions	4,600.00	5,000.00	-400.00	92.0%
Insurance Expense	0.00	7,000.00	-7,000.00	0.0%
Legal Expense	10,700.80	30,000.00	-19,299.20	35.7%
Management Fee	0.00	208,000.00	-208,000.00	0.0%
Meeting Expense	137.85	1,500.00	-1,362.15	9.2%
Miscellaneous	0.00	500.00	-500.00	0.0%
Office Expense	0.00	500.00	-500.00	0.0%
Prof. Dev.\Training	0.00	2,500.00	-2,500.00	0.0%
Professional Fees	0.00	10,000.00	-10,000.00	0.0%
Repairs and Maintenance	0.00	66,880.00	-66,880.00	0.0%
Total Expense	22,048.31	10,389,196.00	-10,367,147.69	0.2%
Net Ordinary Income	-11,977.11	-2,400,000.00	2,388,022.89	0.5%
Other Income/Expense				
Other Income				
Transfers In	0.00	4,346,113.00	-4,346,113.00	0.0%
Transfers Out	0.00	-4,346,113.00	4,346,113.00	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	**-11,977.11**	**-2,400,000.00**	**2,388,022.89**	**0.5%**

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Urban Renewal Agency Minutes

Thursday, October 29, 2020, 10:00 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 AM on the date of this meeting. The comments will be read into the record.
None received.

2) Confirmation of Quorum/Call Meeting to Order

Present:	Alexandra Caval, Rudy Ashenbrener, Jan Rogers, Cindy Bond, Andy Hohwieler, Dan Brizee, and Doug Vollmer *(joined at 10:15)*
Absent:	None
Staff Present:	Nathan Murray, Executive Director; Brent Hyatt, Assistant Finance Officer; Jesse Schuerman, Engineer; Jonathan Spendlove, Planning & Zoning Director; Leila Sanchez, Recording Secretary;

Chair Ashenbrener called the meeting to order at 10:00 AM. A quorum was present.

3) Items of Consideration

a) Consideration of a request to spend $9,227.00 for a new power pole and transmitter to be located in the alleyway midway between Hansen & Shoshone St. and 2nd Ave & 3rd Ave S.
Nathan Murray introduced the agenda item. Similar to 2nd South Market, the Float Magic project needed to upgrade the power transmitter to handle additional power flows. Since this is infrastructure and it would help the entire block, Shawnee Kyle, the Owner, asked if the Agency could help with the costs. Idaho Power will be asked to attend a future meeting to explain the need for power upgrades. Chair Ashenbrener clarified that Idaho Power would pay back, to the URA, funds collected from future tap-ins.
MOTION: Alexandra Caval moved to approve the request to spend $9,227.00 for a new power pole and transmitter to be located in the alleyway midway between Hansen & Shoshone St. and 2nd and 3rd Ave. S. Dan Brizee seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

b) Discussion regarding the disposition of Agency property.
Nathan Murray explained the due processes for disposition and explained the request. He shared a map of Agency owned properties. The properties are currently being appraised for use in the future disposition process which could include transfer to the public, RFP, or surplus with a bid. Property review with discussion ensued. No public comments were made. Discussions will continue at future meetings.

c) Consideration of a request to issue a Request for Proposals to develop Agency owned property on Block 133, Lots 10-16 in Twin Falls.
Nathan Murray shared that interest has been expressed by others to develop the property. Discussion ensued.
MOTION: Andy Hohwieler moved to issue a Request for Proposal to develop Agency owned property on Block 133, Lots 10-16 in Twin Falls. Jan Rogers seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

d) Discussion regarding the creation of a new revenue allocation area.
Nathan Murray shared examples of downtown areas that could qualify for a new area once the current area expires. The application process would begin with an eligibility study. The findings of fact would be presented to the Agency as well as the City Council for the adoption of a new area. Discussion ensued. Creating a vision was recommended. Citizen input was heard in regards to needed infrastructure improvements on Main Ave. North. Rock Creek could be improved by adding a tunnel under Addison and a trail to Auger Falls. It was also noted that just creating an urban renewal district will not help with financing improvements. A revenue source is needed within the RAA. Future discussions will be scheduled and public input is greatly encouraged.

4) Upcoming Meeting(s)

a) Monday, November 9, 2020, at 12:00 p.m.
The November 9, 2020 meeting was canceled. The next meeting will be Monday, December 14, 2020, at 12:00 p.m.

5) General Input/Announcements - Public/Staff
None.

6) Adjournment
The meeting adjourned at 11:47 AM.

Leila Sanchez, Recording Secretary

Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss
November 2020

		Nov 20
Ordinary Income/Expense		
Income		
Investment Income		105.28
Rental Income		1,333.33
Total Income		1,438.61
Gross Profit		1,438.61
Expense		
RAA 4-1		
City Property Expense		
Commons (129 Hansen) & Main	565.83	
Bowyer Park (122 4th Ave S)	11.00	
Total City Property Expense	576.83	
Youth Ranch (160 Main Ave S)	272.88	
Total RAA 4-1		849.71
Legal Expense		69.53
Meeting Expense		150.98
Total Expense		1,070.22
Net Ordinary Income		368.39
Net Income		**368.39**

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October through November 2020

	Oct - Nov 20	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Investment Income	2,010.99	105,200.00	-103,189.01	1.9%
Other Income	0.00	150,000.00	-150,000.00	0.0%
Property Taxes	8,707.01	7,718,000.00	-7,709,292.99	0.1%
Rental Income	2,666.66	15,996.00	-13,329.34	16.7%
Total Income	13,384.66	7,989,196.00	-7,975,811.34	0.2%
Gross Profit	13,384.66	7,989,196.00	-7,975,811.34	0.2%
Expense				
General Development Projects	0.00	1,928,616.00	-1,928,616.00	0.0%
RAA 4-1				
City Property Expense				
Commons (129 Hansen) & Main	1,135.83			
Bowyer Park (122 4th Ave S)	11.00			
Total City Property Expense	1,146.83			
Youth Ranch (160 Main Ave S)	272.88			
RAA 4-1 - Other	0.00	699,367.00	-699,367.00	0.0%
Total RAA 4-1	1,419.71	699,367.00	-697,947.29	0.2%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	0.00	1,514,313.00	-1,514,313.00	0.0%
Debt Pay. (Chobani) Principal	0.00	2,240,687.00	-2,240,687.00	0.0%
Total RAA 4-3 (Chobani)	0.00	3,755,000.00	-3,755,000.00	0.0%
Bond Trustee Fees	0.00	5,000.00	-5,000.00	0.0%
Community Relations & Website	0.00	500.00	-500.00	0.0%
Debt Payments - Interest	0.00	743,833.00	-743,833.00	0.0%
Debt Payments - Principal	0.00	2,925,000.00	-2,925,000.00	0.0%
Dues and Subscriptions	4,600.00	5,000.00	-400.00	92.0%
Insurance Expense	0.00	7,000.00	-7,000.00	0.0%
Legal Expense	69.53	30,000.00	-29,930.47	0.2%
Management Fee	0.00	208,000.00	-208,000.00	0.0%
Meeting Expense	150.98	1,500.00	-1,349.02	10.1%
Miscellaneous	0.00	500.00	-500.00	0.0%
Office Expense	0.00	500.00	-500.00	0.0%
Prof. Dev.\Training	0.00	2,500.00	-2,500.00	0.0%
Professional Fees	0.00	10,000.00	-10,000.00	0.0%
Repairs and Maintenance	0.00	66,880.00	-66,880.00	0.0%
Total Expense	6,240.22	10,389,196.00	-10,382,955.78	0.1%
Net Ordinary Income	7,144.44	-2,400,000.00	2,407,144.44	-0.3%
Other Income/Expense				
Other Income				
Transfers In	0.00	4,346,113.00	-4,346,113.00	0.0%
Transfers Out	0.00	-4,346,113.00	4,346,113.00	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	**7,144.44**	**-2,400,000.00**	**2,407,144.44**	**-0.3%**

Twin Falls Urban Renewal November 2020 Accounts Payable

Check #	Date	Paid Amount	Name	Account	Fund	Memo
4112	10/8/2020	570.00	J and J Enterprises	Commons (129 Hansen) & Main	RAA 4-1(Original)	Repair to Stihl blower and purchase of hedge trimmers
4113	11/12/2020	146.49	City of Twin Falls	Youth Ranch (160 Main Ave S)	RAA 4-1(Original)	Water & Sewer #130529-000 dated 10/5/2020
4113	11/12/2020	150.98	City of Twin Falls	Meeting Expense	General	Reimburse 101-18-10-447-00 - URA Lunch 20201014
4114	11/12/2020	4,820.20	Elam & Burke	Legal Expense	General	Professional Fees for 00835-02 / #187714
4114	11/12/2020	5,416.79	Elam & Burke	Legal Expense	RAA 4-1(Original)	Professional Fees for 00835-03 / #187715
4115	11/12/2020	11.00	Idaho Power	Bowyer Park (122 4th Ave S)	RAA 4-1(Original)	Power for #2220512228 10/7/2020
4115	11/12/2020	431.03	Idaho Power	Commons (129 Hansen) & Main	RAA 4-1(Original)	Power for #2224040226 10/7/2020
4115	11/12/2020	116.60	Idaho Power	Youth Ranch (160 Main Ave S)	RAA 4-1(Original)	Power for #2223719168 10/27/2020
4116	11/12/2020	31,400.00	Intermountain Construction & Abatement	Youth Ranch (160 Main Ave S)	RAA 4-1(Original)	Asbestos Removal at 160 Main #20-41
4117	11/12/2020	36.85	Intermountain Gas Company	Commons (129 Hansen) & Main	RAA 4-1(Original)	Gas for #73747812375 thru 10/16/20
4117	11/12/2020	9.79	Intermountain Gas Company	Youth Ranch (160 Main Ave S)	RAA 4-1(Original)	Gas for #06397230001 thru 10/16/20
4118	11/12/2020	7,840.34	JUB Engineers, Inc.	Downtown Development	RAA 4-1(Original)	3rd Ave Alley Grading / #137129
4119	11/12/2020	97.95	PMT	Commons (129 Hansen) & Main	RAA 4-1(Original)	Broadband Services for 858403-2
4120	11/12/2020	69.53	Times News	Legal Expense	RAA 4-1(Original)	RFP Notice - 260 2nd Ave E / #107450
4121	11/12/2020	190,640.90	City of Twin Falls	General Development Projects	General	Reimburse 102-00-00-136-00 - Gem State Dairy
4121	11/12/2020	18,910.00	City of Twin Falls	General Development Projects	General	Reimburse 102-00-00-136-00 - Gem State Dairy
4121	11/12/2020	252,397.37	City of Twin Falls	General Development Projects	General	Reimburse 102-00-00-136-00 - Gem State Dairy
4121	11/12/2020	230,930.65	City of Twin Falls	General Development Projects	General	Reimburse 102-00-00-136-00 - Gem State Dairy

Twin Falls Urban Renewal December 2020 Accounts Payable

Check #	Date	Paid Amount	Name	Account	Fund	Memo
4122	12/7/2020	106.52	City of Twin Falls	Youth Ranch (160 Main Ave S)	RAA 4-1(Original)	Water & Sewer 11/5/2020 / #130529-000
4123	12/7/2020	56.09	D&B Supply	Commons (129 Hansen) & Main	RAA 4-1(Original)	Sandbags for Ice Rink #90092
4123	12/7/2020	299.50	D&B Supply	Commons (129 Hansen) & Main	RAA 4-1(Original)	1/4" 4' Rolled Mat for Ice Rink #90129
4123	12/7/2020	449.50	D&B Supply	Commons (129 Hansen) & Main	RAA 4-1(Original)	3/8" 4' Rolled Mat for Ice Rink #90156
4123	12/7/2020	-80.93	D&B Supply	Commons (129 Hansen) & Main	RAA 4-1(Original)	Credit #90156 & Purchase other 4' Mat for Ice Rink
4124	12/7/2020	5,074.35	Elam & Burke	Legal Expense	General	Professional Fees for 00835-02 / #188089
4124	12/7/2020	2,118.05	Elam & Burke	Legal Expense	RAA 4-1(Original)	Professional Fees for 00835-03 / #188090
4125	12/7/2020	8,800.00	EHM Engineers, Inc.	Downtown Development	RAA 4-1(Original)	Geotechnical Report -3rd Av S & Idaho St / #84102
4125	12/7/2020	5,800.00	EHM Engineers, Inc.	Downtown Development	RAA 4-1(Original)	Water Sampling Rpt - 3rd Ave S & Idaho St / #84103
4126	12/7/2020	11.00	Idaho Power	Bowyer Park (122 4th Ave S)	RAA 4-1(Original)	Power for #2220512228 for 11/6/2020
4126	12/7/2020	322.69	Idaho Power	Commons (129 Hansen) & Main	RAA 4-1(Original)	Power for #2224040226 for 11/6/2020
4126	12/7/2020	67.16	Idaho Power	Youth Ranch (160 Main Ave S)	RAA 4-1(Original)	Power for #2223719168 for 10/27/2020
4127	12/7/2020	103.04	Intermountain Gas Company	Commons (129 Hansen) & Main	RAA 4-1(Original)	Gas for #73747812375 for 11/16/20
4127	12/7/2020	9.79	Intermountain Gas Company	Youth Ranch (160 Main Ave S)	RAA 4-1(Original)	Gas for #06397230001 for 11/4/20
4128	12/7/2020	6,044.90	JUB Engineers, Inc.	Downtown Development	RAA 4-1(Original)	3rd Ave Alley Grading / #138287
4128	12/7/2020	11,848.53	JUB Engineers, Inc.	Downtown Development	RAA 4-1(Original)	3rd Ave Alley Grading / #138060
4129	12/7/2020	10,000.00	McKinlay & Klundt Appraisal Co.	Downtown Development	RAA 4-1(Original)	Appraised 18 URA properties / #20-2017
4130	12/7/2020	97.95	PMT	Commons (129 Hansen) & Main	RAA 4-1(Original)	Broadband Services for 858403-2 for 12/1/20
4131	12/7/2020	26.76	Twin Falls County Treasurer	Property Tax Expense	RAA 4-1(Original)	2020 Canal Water Shares for Minidoka Av Prkg Lot #11685
4131	12/7/2020	22.80	Twin Falls County Treasurer	Property Tax Expense	RAA 4-1(Original)	2020 Canal Water Shares for 274 Victory Av #11727
4131	12/7/2020	11.28	Twin Falls County Treasurer	Property Tax Expense	RAA 4-1(Original)	2020 Canal Water Shares for Land S of Maxwell Av #11828

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Date: Monday, December 14, 2020

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray, Executive Director

Executive Director's Report

The RFP for URA owned property at 3rd Ave S and Idaho St has been issued.

The request for bids on the VA Building 260 2nd Ave E has closed and no additional competing offers were received. Since then, the original purchase offer of $375k has been rescinded.

Future scheduling a URA Board workshop to consider a new allocation area.

Attachments**:**

None

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Date: Monday, December 14, 2020

To: Urban Renewal Agency of the City of Twin Falls

From: Lorrie Bauer, Administrative Assistant, Recording Secretary

ACTION ITEM

Request:

Consideration of a request to approve the Schedule of Regular Meetings for 2021.

Background:

The meetings are held on the second Monday of every month starting at 12:00 P.M. unless posted otherwise. The October meeting is scheduled for Wednesday, October 13th, due to the federal holiday, Columbus Day, falling on the second Monday.

Approval Process:

A majority vote by the Board would authorize the motion that is put forth.

Budget Impact:

NA

Regulatory Impact:

NA

Conclusion:

Staff recommends that the Board authorize staff to schedule the meetings for 2021.

Attachments:

1. 2021 URA Meeting Schedule

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

SCHEDULE OF REGULAR MEETINGS for 2021

The meetings are held on the second Monday of every month starting at 12:00 P.M., unless posted otherwise. All meetings are held in the Council Chambers, 203 Main Avenue East.

Monday, January 11	Monday, May 10	Monday, September 13
Monday, February 8	Monday, June 14	*Wednesday, October 13*
Monday, March 8	Monday, July 12	Monday, November 8
Monday, April 12	Monday, August 9	Monday, December 13

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, December 14, 2020

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray, Executive Director

ACTION ITEM

Request:

Consideration of a request to sign Resolution No. 2020-17 to enter into an Exclusive Right to Negotiate with Galena Opportunity Fund for development of a mixed-use building and parking structure on property owned by the City of Twin Falls generally located at 153 2nd Ave S.

Background:

In May, 2020, the Agency, with City consent, reviewed information that was presented in response to a previously issued RFP for the development of multiple contiguous, underdeveloped lots, owned by the City of Twin Falls generally located at 2nd Ave S and Hansen St. Otherwise described as Lots 25-32 of Block 103, Twin Falls Townsite.

On May 21, 2020, at an open public meeting, the Agency determined that a proposal submitted by Galena Opportunity Inc, and the Galena Opportunity Fund LLC (the 'Developer') was in compliance with the RFP and accepted the development proposal. Accordingly, the Agency and Developer desire to negotiate and enter into a Disposition and Development Agreement (DDA) to redevelop the site based on the RFP and the Developer's proposal. To facilitate the negotiation and execution of the DDA, the Agency and Developer desire to enter into an agreement to analyze and assess the site, and to determine and agree on definitive terms for the DDA.

In general, the Agency and Developer agree to negotiate in good faith, the Developer agrees to submit a deposit of $20,000.00, and both parties have 120 days to identify a detailed design concept for the site that satisfies the requirements of the previous RFP response. Both parties will regularly meet to discuss terms related to design, project schedule, entitlements, purchase price, financing, etc. Please see the attached 'Agreement to Negotiate Exclusively' for specific details. Staff and Legal Counsel have received feedback from the Developer's Counsel on the document, and there are a few remaining items that need to be finalized.

Approval Process:

A majority vote by the Board would carry the action that is put forth.

Budget Impact:

N/A

Regulatory Impact:

n/a

Conclusion:

Staff is in favor of the Board approving the agreement to begin more formal discussions to develop a plan to improve the site per the submitted RFP.

Attachments:

1. City Blk 103 - Resolution 2020-17

RESOLUTION NO. 2020-17

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, APPROVING AN AGREEMENT TO NEGOTIATE EXCLUSIVELY BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS AND GALENA OPPORTUNITY, INC. AND/OR GALENA OPPORTUNITY FND LLC; AND AUTHORIZING THE CHAIR OR VICE-CHAIR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR AND VICE-CHAIR TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE AGREEMENT 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 (the "Law"), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act"), a duly created and functioning urban renewal agency for Twin Falls, Idaho, hereinafter referred to as the "Agency."

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

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

WHEREAS, on May 4, 1998, the City Council of the City of Twin Falls, Idaho ("City"), by Ordinance No. 2579 adopted the Urban Renewal Plan for Urban Renewal Area #4 and Creating Revenue Allocation Area #4-1 (the "RAA #4-1 Plan") establishing a revenue allocation area for Urban Renewal Area #4, 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, on August 26, 2013, the City, by Ordinance No. 3056 adopted 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. Collectively, the RAA #4-1 Plan as amended by the Amended RAA #4-1 Plan is referred to as the "Plan," and the revenue allocation area established by the Plan, is referred to as the "Project Area;"

WHEREAS, pursuant to Idaho Code §§ 50-2007(f) and 50-2015, City and Agency are authorized and empowered to enter into contracts as may be necessary to carry out the purposes of the Law and the Act, including the acquisition of real property for the revitalization of areas within the Project Area;

WHEREAS, the City owns several underdeveloped contiguous lots within the Project Area, generally located along 2nd Avenue South, bordering Hansen Street, described as Lots 25 through 32 of Block 103, Twin Falls Townsite, Twin Falls, Idaho ("Site"). The Site is currently used for parking;

WHEREAS, Agency seeks to initiate a redevelopment project on the Site to revitalize the Project Area in compliance with the Plan and which could also serve as a catalyst for redevelopment of other properties in the Project Area;

WHEREAS, the Agency, with City consent, issued a Request for Proposals for redevelopment of the Site. The sole proposal for development of the Site proposed development of a structured parking facility together with forty-four multifamily residential units ("Developer Proposal") was submitted by Galena Opportunity, Inc. and/or Galena Opportunity Fund LLC (collectively, "Developer");

WHEREAS, at a public meeting on May 11, 2020, the Agency reviewed the information presented in the response to the RFP, including the Developer Proposal, and moved to defer the final decision on acceptance to a future scheduled special public meeting;

WHEREAS, at the special public meeting on May 21, 2020, the Agency determined the Developer Proposal was in compliance with the RFP and accepted the Developer Proposal;

WHEREAS, accordingly, Agency and Developer desire to negotiate and enter into a Disposition and Development Agreement ("DDA") to redevelop the Site based on the RFP and the Developer Proposal, and to comply with the required notice provisions concerning the disposition of Site by Agency as set forth in the Law;

WHEREAS, to facilitate the negotiation and execution of the DDA, Agency and Developer desire to enter into an agreement for a commitment to analyze and assess the Site to determine and agree upon the definitive terms and conditions of the DDA, subject to the terms and conditions contained in this Agreement;

WHEREAS, Agency staff and legal counsel have negotiated an Agreement to Negotiate Exclusively (the "Agreement"), between Agency and Developer, a copy of which is attached hereto as Exhibit A and incorporated herein as if set out in full;

WHEREAS, Agency staff has reviewed the Agreement and recommends approval of the Agreement;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Agreement and to authorize the Chair or Vice-Chair to execute and the Secretary to attest the Agreement, 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 Agreement, attached hereto as Exhibit A, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted recognizing technical changes or corrections which may be required prior to execution of the Agreement.

Section 3. That the Chair or Vice-Chair of the Agency are hereby authorized to sign and enter into the Agreement and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the Agreement 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 Agreement or other documents are acceptable upon advice from the Agency's legal counsel that said changes are consistent with the provisions of the Agreement and the comments and discussions received at the December 14, 2020, Agency Board meeting, including any substantive changes discussed and approved at that meeting.

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 December 14, 2020. Signed by the Chairman of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on this 14th day of December 2020.

APPROVED:

____

Rudy Ashenbrener, Chair

ATTEST:

____

Dan Brizee, Secretary

Exhibit A

Agreement to Negotiate Exclusively

AGREEMENT TO NEGOTIATE EXCLUSIVELY
2nd and Hansen Development
Twin Falls, Idaho

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY ("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 ("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 authority of the Law and the Local Economic Development Act, title 50, chapter 29, Idaho Code, as amended ("Act"), and GALENA OPPORTUNITY, INC. and GALENA OPPORTUNITY FUND LLC (collectively, "Developer"). Collectively, the Agency and the Developer may be referred to as the "Parties" and each individually as "Party," on the terms and provisions set forth below. The "Effective Date" of this Agreement is the last date signed by all Parties below.

RECITALS

A. On May 4, 1998, the City Council of the City of Twin Falls, Idaho ("City"), by Ordinance No. 2579 adopted the Urban Renewal Plan for Urban Renewal Area #4 and Creating Revenue Allocation Area #4-1 (the "RAA #4-1 Plan") establishing a revenue allocation area for Urban Renewal Area #4, 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;

B. On August 26, 2013, the City, by Ordinance No. 3056 adopted 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. Collectively, the RAA #4-1 Plan as amended by the Amended RAA #4-1 Plan is referred to as the "Plan," and the revenue allocation area established by the Plan, is referred to as the "Project Area;"

C. Pursuant to Idaho Code §§ 50-2007(f) and 50-2015, City and Agency are authorized and empowered to enter into contracts as may be necessary to carry out the purposes of the Law and the Act, including the acquisition of real property for the revitalization of areas within the Project Area;

D. The City owns several underdeveloped contiguous lots within the Project Area, generally located along 2nd Avenue South, bordering Hanson Street, described as Lots 25 through 32 of Block 103, Twin Falls Townsite, Twin Falls, Idaho ("Site"), as more particularly shown and described on <u>Exhibit A</u>. The Site is currently used for parking;

E. Agency seeks to initiate a redevelopment project on the Site to revitalize the Project Area in compliance with the Plan and which could also serve as a catalyst for redevelopment of other properties in the Project Area;

F. The Agency, with City consent, issued a Request for Proposals for redevelopment of the Site, which is attached as <u>Exhibit B</u> ("RFP"). The sole proposal for development of the Site was submitted by Developer, which is attached as <u>Exhibit C</u> ("Developer Proposal");

G. At a public meeting on May 11, 2020, the Agency reviewed the information presented in the response to the RFP, including the Developer Proposal, and moved to defer the final decision on acceptance to a future scheduled special public meeting;

H. At the special public meeting on May 21, 2020, the Agency determined the Developer Proposal was in compliance with the RFP and accepted the Developer Proposal;

I. Accordingly, Agency and Developer desire to negotiate and enter into a Disposition and Development Agreement ("DDA") to redevelop the Site based on the RFP and the Developer Proposal, and to comply with the required notice provisions concerning the disposition of Site by Agency as set forth in the Law; and

J. To facilitate the negotiation and execution of the DDA, Agency and Developer desire to enter into an agreement for a commitment to analyze and assess the Site to determine and agree upon the definitive terms and conditions of the DDA, subject to the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the sufficiency of which is agreed and acknowledged, the Agency and Developer agree the foregoing recitals are not mere recitations but are covenants of the Parties, binding upon them as may be appropriate and a portion of the consideration for the agreements contained herein, and hereby further agree as follows:

1. PURPOSE. The purpose of this Agreement is for the Agency and the Developer to negotiate diligently and in good faith on final terms and conditions for redevelopment of the Site and execute a DDA within a defined time period. During the Negotiation Period (defined below) of this Agreement, so long as Developer is not in default, Agency shall not directly or indirectly negotiate with any person or entity other than Developer with respect to the disposition or development of the Site. If the Parties do not execute the DDA by the Negotiation Period Deadline, the Agency may pursue other opportunities for the redevelopment of the Site or retain the Site in its discretion.

2. DEPOSIT. Within five (5) business days of the Effective Date, the Developer shall submit to Agency a deposit in an amount of twenty thousand dollars ($20,000.00) in the form of cash or cashier's check ("Deposit"). If the Parties enter into a DDA and the Site transfers to Developer, this Deposit will be applied to the purchase price under the DDA at closing. Upon termination of this Agreement, the Deposit will be retained or returned as otherwise described in this Agreement. Agency is under no obligation to pay or earn interest on the Deposit, but if interest shall accrue or be payable thereon, such interest (when received by Agency) shall become part of the Deposit.

3. DESIGN APPROVAL. Developer shall have one hundred twenty (120) days from the Effective Date ("Design Approval Period") to make timely submission of a detailed concept plan and detailed design drawings based on the Developer Proposal ("Design Development Plan") and obtain Agency approval of the Design Development Plan. A detailed submission and approval schedule for the Design Development Plan is set forth below and in the Schedule of Performance attached to this Agreement. The proposed development of the

Site, as contemplated in the approved Design Development Plan, will be referred to herein as the "Project".

3.1. Agency and Developer will regularly meet to address design-related issues identified by Agency, at a minimum of two times per month (once during the monthly meetings as described in Section 5) until Developer's submission of the proposed Design Development Plan. During such meetings, Agency and Developer (including the Principal Designer identified as part of the Development Team below) will engage in design discussions to address design issues identified by Agency which Agency desires to resolve prior to submittal of the Design Development Plan to Agency by Developer.

3.2. In addition to any issues identified by the Agency above, the Design Development Plan will include, at a minimum the following components: (i) site plan; (ii) elevations/sections listing exterior finishes; (iii) perspective renderings and massing plan; (iv) parking structure and number of spaces; (v) a brief project summary and a critical path analysis identifying key milestones in the planning and construction stages for the Project; (vi) updated estimated project schedule; and (v) a clear chart for reference showing all changes from the Developer Proposal. Agency shall prepare a list of the issues to be addressed in the Design Development Plan, and the process shall be conducted as provided in this Agreement and the Schedule of Performance.

3.3. After necessary and/or desirable meetings with the Agency, the Developer will formally submit to the Agency a proposed Design Development Plan with cover letter no later than sixty (60) days after the Effective Date. Within fifteen (15) days of the Agency's receipt of the Design Development Plan, Agency staff shall either approve or disapprove the Design Development Plan in writing to Developer. Failure to approve in writing shall be construed as a disapproval. In the event the Design Development Plan is initially disapproved by Agency staff, within fifteen (15) days of Agency's receipt of the Design Development Plan, Agency staff shall set forth the reasons for disapproval and options that address Agency's reasons for disapproval. Developer shall then have fifteen (15) days to resubmit information to address the reasons for disapproval. Within five (5) days of Agency staff's receipt of the resubmittal, Agency staff shall meet with Developer to discuss the resubmittal and shall identify issues that have not been resolved to Agency staff's satisfaction, if any, and shall provide an additional period of fifteen (15) days for Developer to resubmit information to address Agency staff's issues. If the resubmission is not approved by Agency within the Design Development Period, then this Agreement terminates as set forth in Section 3.5.

3.4. Once agreed between the Developer and the Agency staff, the Design Development Plan will be presented to the Board for consideration.

3.5. If the Agency fails to approve the Design Development Plan during the Design Development Period, the Agency may terminate this Agreement. If the Agency determines the Developer has complied with its obligations under this Section 3 in good faith, the Deposit will be refunded to Developer. If the Developer has failed to comply with its obligations, the Agency will retain the Deposit.

4. OTHER TERMS AND CONDITIONS. The Parties will have two hundred ten (210) days from the Effective Date to negotiate diligently and in good faith to negotiate final DDA terms and conditions and submission of a Developer signed DDA to the Agency Board for approval (the "Negotiation Period"). Additional information is necessary to finalize the DDA as follows:

4.1. Submission and Appraisal.

4.1.1. Developer ProForma. Developer will submit a proforma substantially the same as the form attached hereto as Exhibit D and any related supporting data for the Project within thirty (30) days after the approval of the Design Development Plan (collectively "Proforma"). The Proforma will address the density of development, costs expected to be incurred and revenues expected to be realized in the course of developing and disposing of the Project, residential and/or commercial unit types, sizes and expected sales prices or rents, square footages of uses other than residential, estimated number of parking spaces, leasing or sales prices for other uses and assets such as office space, retail space and parking spaces, assumptions regarding soft costs such as marketing and insurance, risks of Agency, risks of Developer, desired Developer participation in the funding of public facilities and amenities, estimated financing terms and costs, and estimated or actual Developer return including assumptions regarding entrepreneurial incentive, overhead and administration as these factors apply to the Project. Cost estimates for demolition and clearance, sitework, utility relocation and any environmental remediation, shall be included in the Proforma as a development cost to be paid by Developer.

4.1.2. Reuse Appraisal. Within ten (10) days after receipt of the Proforma containing all required information, the Agency, at its cost, will retain an appraiser to prepare a reuse appraisal ("Reuse Appraisal") for the Site based upon the information developed through the Design Development Plan and the Proforma. The Reuse Appraisal shall establish the fair reuse value of the Site as required under the Law. The Developer will submit to Agency any additional data required by the appraiser ("Reuse Appraiser") who has been selected by Agency, which data (with the Proforma, collectively "Reuse Appraisal Data") is needed by the Reuse Appraiser to prepare the Reuse Appraisal for the Site. Developer may be required to supplement the Reuse Appraisal Data during the course of the Reuse Appraisal and shall submit this supplementary data in a timely manner as required by the Reuse Appraiser and Agency. Developer acknowledges that Agency will be unable to commence the Reuse Appraisal process without Developer's submittal of the Reuse Appraisal Data, and Developer acknowledges that Agency will be unable to complete negotiation of the terms of the DDA without the results of the Reuse Appraisal.

4.2. Terms and Conditions. The Parties will consider, and include as part of the DDA as appropriate, the following terms and conditions:

4.2.1. Design. Incorporation of the approved Design Development Plan;

4.2.2. Site Acquisition. City terms, conditions and agreements required to complete a transfer of the Site to the Agency for use and transfer under the DDA.

4.2.3. Purchase Price. The Purchase Price for the Site may not be less than the fair reuse value as determined by the Reuse Appraisal. Depending on the information provided in the Proforma and the period between the Reuse Appraisal and the DDA, an update to the Reuse Appraisal may be required as a part of the DDA. Developer must pay the entire Purchase Price (less the Deposit) to Agency before the title is transferred to Developer.

4.2.4. Entitlements. Any entitlements required by the City for the Project. Agency and Developer acknowledge that the Project requires, at a minimum, a special use permit application and approval from the City. The Parties agree to cooperate in processing those applications. Developer acknowledges there is no guarantee of approval of a special use permit, and or any other entitlement related to the Project.

4.2.5. Project Schedule. Agreed financing, entitlement, and construction timeline for development, milestones, and substantial and final completion of the Project, along with appropriate consequences for missed milestones and dates.

4.2.6. Construction Drawings; Construction Costs; Project Budget. Present or future submission and approval of construction drawings, a detailed and itemized Project budget, a schedule of values showing all items of construction, development and construction costs, and a construction contract.

4.2.7. Project Financing. Present or future submission and approval of firm commitments for Project financing for the complete cost of the Project.

4.2.8. Disposition Process. Addressing the disposition of the Site to Developer, whether transfer, lease or by other means, and all related conditions, including reclaiming of Site by Agency for Developer's failure to perform.

4.2.9. Agency Participation. The level of Agency participation in the Project, which may be limited to solely the inclusion of the Site for the Project.

4.2.10. City Participation. Agency and Developer will explore with the City its potential involvement and contributions to the Project.

4.2.11. Assessments. Agency and Developer shall cooperate in seeking an understanding with the Twin Falls County Assessor how the proposed project may be assessed based on the development proposal. Agency and Developer shall also address how any parcels ultimately used or occupied by tax exempt entities will be treated for purposes of revenue generated to the Agency.

4.2.12. Environmental Condition. Agency and Developer will determine the scope of environmental investigations and review of the Site, considering the existing information provided to Developer by Agency as part of the RFP. Agency will not make any representations or warranties regarding the environmental condition of the Site.

4.2.13. Plan Objectives and Compliance. The DDA will include terms which are necessary or desirable to further the Plan and Project Area objectives and purposes, and compliance with their requirements.

4.2.14. Other Compliance. The DDA will include any necessary provisions to comply with all applicable laws, including all applicable federal and state labor standards, antidiscrimination standards, affirmative action standards, and nondiscrimination and nonsegregation standards, laws, and regulations in development, rental, sale, or lease of the Site.

5. DEVELOPMENT TEAM, MEETINGS AND REPORTING. Developer's local project manager, officers, key managerial employees, and design professionals are listed on Exhibit E (collectively the "Development Team"). Developer may not change any members of the Development Team unless approved by the Agency. Except as set forth in Section 3.1, Agency and the applicable members of the Development Team will meet a minimum of once per month through the term of this Agreement. At each meeting, the Parties will be prepared to substantively discuss all matters on the agenda. Developer agrees that a Development Team Member with authority on behalf of Developer, including at a minimum, the Local Project Manager, will attend the meetings. Developer agrees to provide monthly written progress reports advising Agency on all matters and all studies being made by Developer, as well as include all information as specified by Agency staff, which reports will be discussed at the next monthly meeting.

6. EXECUTION OF DDA. The DDA will be drafted by the Agency. The Parties intend to draft, revise, and negotiate and have the Developer sign and submit the DDA to the Agency Board during the Negotiation Period. If a DDA is signed by both Developer and Agency, then this Agreement will be superseded by the DDA, and it will be null and void and of no further force or effect. If the negotiations do not result in an executed DDA, within ten (10) days after request by the Agency, Developer will (i) submit to Agency a summary of its findings and determinations regarding the feasibility of the proposed development, excluding any confidential or privileged information; and (ii) deliver and assign to Agency all renderings, plans, reports, studies and other information relating to the Site, which shall be owned by the Agency. The foregoing obligation will survive the termination of the DDA.

7. TERMINATION.

7.1. Early Termination. In the event at any time after the Design Period but before the expiration of the Negotiation Period, either Party determines that it is not commercially feasible to proceed with the Project, it will notify the other Party in writing as to the reasons supporting its conclusion and its desire to terminate this Agreement.

The other Party will have ten (10) days to respond to such notice in writing. If the other Party fails to respond, this Agreement shall be deemed terminated. If the Agency determines the Developer has complied with its obligations under this

Agreement in good faith, and the Developer is not in default, the Deposit will be refunded to Developer. If the Agency determines Developer has failed to comply with its obligations in good faith, or the Developer has otherwise defaulted under any provision of this Agreement, the Agency will retain the Deposit. A request for termination within twenty-one (21) days to the end of the Negotiation Period will be deemed to not be in good faith.

7.2. Expiration of Negotiation Period. If, upon expiration of the Negotiation Period, the Developer has not submitted a signed DDA approved by Agency staff to the Agency Board, then this Agreement shall automatically terminate, and the Agency shall retain the Deposit as consideration for the time it was not able to develop or use the Site. Developer acknowledges and consents that upon termination of the Agreement, the Agency has the right and authority to enter into an exclusive right to negotiation agreement concerning the Site with any other interested developer, or make any other agreements or use of the Site as desired.

7.3. Costs. Unless otherwise identified herein, upon termination, each Party is responsible for its own costs and expenses related to this Agreement.

8. DEFAULT. A default under this Agreement is any breach of the obligations under this Agreement, including, but not limited to, missing deadlines, and/or if the Agency deems itself insecure due to Developer's performance under this Agreement. The non-defaulting Party will notify the defaulting Party of the default and the defaulting Party will have ten (10) days after notice to cure the default. If the default is not cured, and the non-defaulting party is the Agency, it is entitled to terminate this Agreement and retain the Deposit. If the default is not cured, and the non-defaulting party is the Developer, the Developer is entitled to terminate this Agreement and obtain a refund of the Deposit. The remedies provided in this Section are each Party's sole remedy for default.

9. GENERAL PROVISIONS.

9.1. Schedule of Performance. Key deadlines identified in this Agreement are attached hereto as a Schedule of Performance in Exhibit F.

9.2. Execution of Agreement Not a Disposition of the Site. By its execution of this Agreement, Agency is not committing itself to or agreeing to undertake: (a) disposition of land to Developer; or (b) any other acts or activities requiring the subsequent independent exercise of discretion by Agency, City, or any agency or department thereof; or (c) any other acts or activities requiring the subsequent independent exercise of discretion by any federal or state agency including, but not limited to, environmental clearance and historic preservation approval.

9.3. Notices. Formal notices, demands, and communications between Agency and Developer shall be sufficiently given if sent by registered or certified mail, postage prepaid and return receipt requested, to the principal offices of Agency and Developer as set forth below. Routine communication may be by first class mail, e-mail or telephone.

Agency: Developer:

Nathan Murray
Executive Director
Urban Renewal Agency
203 Main Ave. E.
Twin Falls, Idaho 833301
Email: nmurray@tfid.org
Ph: (208) 735-724

Copy to:
Meghan Conrad
Elam & Burke, LLP
251 E. Front St., Ste 300
P.O. Box 1539
Boise, ID 83701
Email: msc@elamburke.com
Ph. (208) 343-5454

9.4. Time is of the Essence. Time is of the essence in this Agreement.

9.5. Entire Agreement. The recitals and exhibits to this Agreement are incorporated and made a part hereof. This is the entire Agreement between the Parties relating to the subject matter hereof. Any amendment to this Agreement must be in writing and signed by both Parties.

9.6. No Recordation. In no event shall any Party record this Agreement or any memorandum hereof or otherwise encumber the Site by reason of this Agreement or the negotiations contemplated hereby.

9.7. Successors and Assigns. No Party may assign or delegate its obligations under this Agreement without the consent of each other Party hereto. Agency may condition its consent to any assignment which would require the assignee to comply with the RFP, Developer Response, Design Development Guidelines and any other Agency and City design standards and guidelines. Agency shall not withhold consent to any assignment of this Agreement by Developer to an entity managed by Developer or its assigns, directly or indirectly. The terms, covenants, conditions, and agreements contained herein, shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the Parties hereto.

9.8. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall then be deemed for all purposes to be an original, executed agreement with respect to the Parties whose signatures appear thereon.

9.9. Commissions. Agency represents that it has engaged no broker, agency, or finder in connection with this transaction, and Developer agrees to hold Agency harmless from any claim by any broker, agent, or finder retained by Developer.

9.10. Waiver. A waiver by either Party of any provision in this Agreement shall not constitute a repeated waiver or waiver of any other provision in the Agreement.

9.11. Jurisdiction and Venue. Idaho law will govern this Agreement. Any dispute regarding this Agreement will have venue in the 5th District Court of Idaho.

9.12. Attorney's Fees. In the event of any legal proceeding described in this Section 902 between the Parties to this Agreement to enforce any provision of this Agreement or to protect or establish any right or remedy of either Party hereunder, the prevailing Party shall recover its reasonable attorney fees, at trial and upon appeal, as determined by the Court.

[End of Agreement; Signatures to Follow]

EXECUTED EFFECTIVE as of the Effective Date.

__________________, 2020	AGENCY
	URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS
	____
	Rudy Ashenbrener, Chair
__________________, 2020	DEVELOPER
	[____________]
	____
	By ___________________________________
	Its ___________________________________

Exhibits

Exhibit A	Depiction and Legal Description of Site
Exhibit B	Request for Proposals
Exhibit C	Developer Proposal
Exhibit D	Proforma Form
Exhibit E	Development Team
Exhibit F	Schedule of Performance

<u>**EXHIBIT A**</u>

DEPICTION AND LEGAL DESCRIPTION

<u>EXHIBIT B</u>

AGENCY REQUEST FOR PROPOSAL

[9 pages attached]

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

<u>REQUEST FOR PROPOSAL</u> (RFP)

Property owned by City of Twin Falls

The Urban Renewal Agency of the City of Twin Falls, Idaho ("TFURA") is seeking proposals from developers for the redevelopment of several underdeveloped contiguous lots located along 2nd Avenue South, bordering Hanson Street, specifically described as Lots 25 through 32, of Block 103, Twin Falls Townsite, Twin Falls, Idaho (collectively the "City Site"). Please see Exhibit A for more details.

This request for proposal ("RFP") is intended to allow interested developers to respond to redevelopment opportunities for the City Site. TFURA invites developers to submit redevelopment proposals for the City Site in conformance with this RFP, pertinent zoning regulations, the City Code, and the Amended Urban Renewal Plan for Revenue Allocation Area #4-1 Expansion (the "Amended RAA #4-1 Plan"), 2013.

TFURA's minimum requirements for a successful redevelopment proposal, as set forth in greater detail below, include a mixed-use development, including housing and commercial components, including retail and/or office, and a structured parking facility permitting public parking, and the other requirements in this RFP. The developer will be required to seek a special use permit as a parking garage is not a permitted use. The proposal should address the proposed land use approval process for the intended uses, including applications for special use permits, rezoning and/or other necessary approvals. The City of Twin Falls will consider in its sole discretion the approvals of special use permits or any other land use, zoning approval, and building permits.

If a proposal is selected, TFURA and the developer will enter into an Agreement to Negotiate Exclusively ("ANE") wherein during the negotiation period the TFURA and developer will further refine the project designs and will negotiate in good faith the terms of a Disposition and Development Agreement ("DDA") addressing key redevelopment milestones and deadlines for disposition and development of the City Site.

The last page of this RFP contains a list of attachments and/or links to additional reference material regarding this RFP and the City Site.

1. Project Summary:

City Site Description:	Lots 25 through 32, Block 103, Twin Falls Townsite, Twin Falls County, Idaho. Approximately 1.72 acres. Developers should submit proposals for redevelopment of the entire City Site.
Current Use/Condition:	Underdeveloped lots that are paved and currently maintained as a surface public parking lot.
Current Zoning:	The City Site is zoned CB, Commercial Central Business District (currently a parking structure is not a permitted use;

	however, a special use permit for a parking garage may be considered upon filing a Special Use Permit Application).
Ownership:	City of Twin Falls, ID.
Intended Use:	Uses in conformance with the Amended RAA #4-1 Plan and applicable local and state regulations.
Development Timeline:	To be negotiated in the ANE and DDA. If mutually agreed redevelopment timelines are not met, TFURA may terminate an accepted proposal.
Completion Timeline:	Substantial completion no later than December 31, 2022.
Price:	To be negotiated, but in no case less than the fair value for uses as determined by a fair re-use appraisal (the "Re-Use Appraisal"). The Re-Use Appraisal is generally the most probable sale price of a property in anticipation of a specific future redevelopment of the property, considering any redevelopment restrictions agreed to by the parties. The Re-Use Appraisal does not consider highest and best use or market value.

2. **Background:** In 2013, the City of Twin Falls adopted the Amended RAA #4-1 Plan. The Amended RAA #4-1 Plan was designed to address economic underdevelopment and physical deterioration and to promote improvements to public infrastructure, the redevelopment of properties to support new private investment in downtown properties and to support additional public parking. The Amended RAA #4-1 Plan is to promote the redevelopment and investment in the downtown. The improvements envisioned in the Amended RAA #4-1 Plan are intended to provide an improved environment for new retail, commercial, and mixed-use developments, eliminate unsafe and hazardous conditions, improve parking opportunities, and to assure safe and efficient movement of vehicular traffic.

3. **Project Objective:** TFURA is seeking developers who are prepared to pay no less than the fair value for uses as to be determined by the Re-Use Appraisal for the City Site and who are willing to redevelop the City Site for purposes and uses in conformance with this RFP and the Amended RAA #4-1 Plan.

   Proposed redevelopments are encouraged to take advantage of this unique area and propose a multi-use project meeting the requirements of this RFP. The design and uses should create energy and excitement and activate this key location.

4. **Redevelopment Requirements:** The redevelopment will conform to the requirements of all development and zoning regulations found in the CB Zone (recognizing an application for a special use permit will be necessary for a parking garage, which is not a permitted use in the CB Zone). The text of this zone is located in Title 10 of the Twin Falls municipal code and can be found on the website site of the City of Twin Falls, http://www.tfid.org.

5. **Submittal Requirements:** In order for a proposal to be deemed complete and be further reviewed, it must include the minimum requirements. In the event the minimum requirements have not been met for a submission by the due date, the proposal will be deemed incomplete and will not be eligible for further consideration. Written notification confirming whether the proposal is considered complete will be provided to the contact listed in each proposal. If you have any questions regarding these minimum requirements please contact TFURA's Executive Director, Nathan Murray. The developer shall:

   A. **Letter of Introduction.** Submit a cover letter signed by the developer responding to the RFP (the "Lead Entity") which outlines the relevant details of the redevelopment proposed to be constructed on the City Site, including, but not limited to uses/type of business to be conducted; summary of the conceptual plan; size of structure(s), basic design, including one or multiple story configuration.

   B. **Release, Waiver and Indemnity Agreement.** Execute the Release, Waiver and Indemnity Agreement regarding the disclosure of public information.

   C. **Team Information.**

      i. Identification of the Lead Entity submitting the RFP, including address, email contact, and telephone number.
      ii. Development Team Identification: architect, engineer, contractor, developer, proposed redevelopment legal entity, etc. Include address, phone numbers, and email contacts.
      iii. Description of form of organization of Lead Entity (corporation, partnership, sole proprietorship).
      iv. Statement of years the Lead Entity has been in business under current name and a list of other names under which the Lead Entity has operated.
      v. Webpage address, if available, of the Lead Entity.
      vi. Name, address, and telephone number for person or persons with the Lead Entity that will manage the proposed redevelopment.
      vii. Include financial statements of the Lead Entity or in the event the Lead Entity has not yet formed or has no financial statement, include proof of at least one of the members of the Lead Entity's financial capacity to deliver the proposed project. Additionally, a "letter of creditworthiness" from a financial institution(s) which describes prior credit relationships, prior lending history/amounts/range, anticipated parameters for lending on the proposed project, and confirms the member or entity is not in default is also acceptable, in lieu of, or in addition to, another form of financial statement.
      viii. Include descriptions of the types of potential tenants, owners and/or users interested in the proposal, if any, and the status of discussions with such tenant, owners and/or users.

D. **Project Portfolio**. The project portfolio must include a minimum of three (3) examples from the Lead Entity of projects, with a preference for comparable projects, that have been completed within the last ten (10) years or be currently under construction. Projects should demonstrate quality of design.

E. **Concept Plan: Providing the following information.**

i. An overall narrative description of the project together with ancillary uses and redevelopment plan. Identify any proposed phasing or redevelopment sequencing proposed and the timing and schedule of all such phasing.
ii. A concept sketch of the site plans, floor plans, and building elevations showing, for example, the proposed number of residential units, the proposed number of parking stalls, and the size and configuration of any residential and/or commercial units.
iii. Photographs or perspective drawings of other projects depicting possible architectural concepts viewed as appropriate for this project.
iv. Proposed rents or sales prices by unit type or quantity depending on the type of project.
v. Description of any on and off-site improvements.
vi. Description of any proposed TFURA financial assistance or participation, if any.
vii. Additional written or graphic materials if needed to communicate the project concept.

F. **Redevelopment Timeline.** A preliminary redevelopment timeline is required and must include major milestones including but not limited to design review, planning and zoning approval, any additional entitlements, loan closing(s), land closing, construction start, construction completion and rent/lease up or sales schedule. Construction of improvements must be substantially completed by December 31, 2022.

G. **Capacity to Perform Work**. Please submit a minimum of three (3) references from public agencies, private companies, or individuals with whom developer has had relevant experience. For references, include contact name, address, current telephone number, and email address.

H. **Resources and Capacity**. Please submit 2-3 references from financial institutions or partners providing financial backing for past or current projects, project names and locations, and dates these projects commenced and were completed. Such references shall be for the Lead Entity or principals of the Lead Entity. Include contact name, address, telephone numbers, and email addresses. Include letters of interest or other evidence of ability to arrange financing.

I. **Number of Copies**. Four (4) copies of the proposal, including the executed release documents, should be submitted to the Urban Renewal Agency of the City of Twin Falls in care of Nathan Murray, Executive Director, 203 Main Ave. E., Twin Falls, Idaho 83301. All proposals shall be clearly marked with "City Site Proposal."

J. **Deadline**. Responses must be received no later than **5:00 PM MST on May 8, 2020.** It is the sole responsibility of each developer to see that its submission is received by the date and time stated in this RFP. Project proposals may be received at any time during regular business hours (8:00 a.m. through 5:00 p.m. Monday through Friday, except holidays). The proposals shall be received in the office by 5:00 p.m. on the date specified. No facsimile delivery or e-mail submission will be accepted. Proposals received after the submission deadline will not be considered.

TFURA reserves the right to reject any and all proposals submitted, or to waive any minor formalities of this request if, in the judgment of TFURA, the interest of TFURA would be served. By submitting a proposal, a developer agrees to be bound by the terms and conditions of this RFP. The issuance of the RFP and the receipt and evaluation of submissions, however, does not obligate TFURA to select a developer and/or enter into the ANE or DDA based on the RFP terms and conditions.

6. **TFURA Selection Criteria:** TFURA will select the preferred redevelopment proposal based on the following criteria:

How the proposed redevelopment meets the goals of TFURA, and objectives as outlined below:

- The financial strength and experience of the Lead Entity and development team,
- The use of building materials which reflect the dominant, historic materials found in downtown Twin Falls,
- The preservation or enhancement of landscaping on public areas and near sidewalks,
- Vehicular access from 2nd Ave. E. and Hanson Street and/or alleyway,
- Parking on interior of City Site within a parking structure for private and public uses. Private parking will have to be fully funded by developer; there can be no TFURA participation or reimbursement for private parking,
- Loading zones and service areas off the alley,
- Compliance of the proposed redevelopment with the CB Zone, including the anticipated filing of a special use permit application for the parking structure, the municipal code, and the Amended RAA #4-1 Plan. It is important to note, the decision to consider and/or grant a special use permit or any other land use, zoning approval, and building permit issuance lies in the sole discretion of the City of Twin Falls. The proposal should address how the land use approval process, including application for special use permit, rezoning or other consideration will be pursued,
- Contribution to local employment and economy,
- Probability of the proposed redevelopment's success – based upon the stability and capability of the developer, demonstrated success based on past redevelopment

projects undertaken by the developer, market analysis, business plan, financial strength, and timeline, and

- Developer's financial and other expectations of TFURA for the project's success.

7. Target Dates and Timelines:

The Schedule for each step is approximate and may be adjusted by the Agency Board in its sole discretion.

- Notice published and RFP issued = April 3, 10, 2020
- Proposals due to TFURA = May 8, 2020
- Review of proposals by TFURA = May 11, 2020
- Execution of Exclusive Negotiation Agreement = TBD
    i. The schedule for the ENA will be determined following the Agency Board's selection of the Selected Developer. Proposal refinement, agreement terms, and reuse appraisal are estimated at 2-3 months.
- Execution of DDA = TBD
    i. The schedule for the DDA will be determined following the Agency Board's selection of the proposal and following the ENA. If the ENA advances to a DDA, an estimated 3 months is added.

8. Other Information: All questions regarding this RFP should be directed to the Executive Director, Nathan Murray, nmurray@tfid.org. Only written responses from TFURA will be deemed official responses.

9. TFURA Discretion and Authority: TFURA may accept such proposals as it deems to be in the public interest and furtherance of the purposes of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended, the Amended RAA #4-1 Plan, or it may proceed with further selection processes, or it may reject any and all submissions. TFURA will determine from the information submitted in the proposals the most qualified developer and the best redevelopment proposal as evaluated under the criteria set forth herein. Final selection, if any, will be made by the TFURA Board.

The issuance of the RFP and the receipt and evaluation of submissions does not obligate TFURA to select a developer and/or enter into the ANE. Submissions do not constitute business terms under any eventual ANE. TFURA will not pay costs incurred in responding to this RFP. TFURA may cancel this process at any time prior to the execution of an ANE without liability.

TFURA intends to select a developer to advance the RFP process toward the ANE and DDA. If TFURA is unable to reach a satisfactory agreement with a developer for the ANE, then TFURA may terminate negotiations with a selected developer and commence negotiations with the next highest ranked developer and proposal and so on or, in its sole discretion, determine to not enter into an ANE or DDA and may terminate the RFP process.

10. Information for Reference Only.

Neither TFURA, the City of Twin Falls, any other public participant or partner, civic group or individual, nor any of their elected officials, officers, agents, employees or consultants, shall be responsible for the accuracy of any information provided to any person as part of this RRP process, including attachments or documents provided through links. All developers are encouraged to independently verify the accuracy of any information provided. The use of any of this information in the preparation of a response to this request is at the sole risk of the developer. TFURA reserves the rights to modify sample forms in its discretion.

If you have questions regarding the City Site and request, please email them to nmurray@tfid.org

11. Public Nature of All Submissions. This RFP is a public process therefore information and materials collected under the RFP are public records. The information that is received by TFURA may be subject to disclosure under the Idaho Public Records Act, Title 74, Chapter 1. With the potential exception of some credit data, it is anticipated that submissions in response to this RFP will contain little or no material that is exempt from disclosure under the Idaho Public Records Act. Any questions regarding the applicability of the Public Records Law should be addressed by your own legal counsel PRIOR TO SUBMISSION. TFURA will not provide any opinion or guidance on whether or not any information or materials submitted in response to this RFP would be considered exempt from disclosure under Idaho's Public Records Act. Any proprietary or otherwise sensitive information contained in or with any proposals may be subject to potential disclosure.

Accordingly, RFP developers should take the following steps with respect to any information believed to be exempt from disclosure or confidential:

Developer shall segregate any proprietary or confidential material and provide an explanation as to why such information should not be deemed a public record, citing the applicable portion of the Idaho Public Records Act. On any items submitted with the RFP that the developer believes are exempt from disclosure under the Idaho Public Records Act, clearly mark the upper right corner of each page of any such document or material with the word "Exempt." This does not mean the document qualifies under the legal definition of eligibility, but TFURA will evaluate the request to make the document/page exempt if the content meets the legal requirement otherwise the document will be considered public. TFURA's disclosure of documents or any portion of a document submitted and marked as exempt from disclosure under the Idaho Public Records Act may depend upon official or judicial determinations made pursuant to the Idaho Public Records Act.

Developers, in replying to this RFP agree to release and hold TFURA harmless from any and all liability for disclosing any material or documents included in any proposals submitted to TFURA.

12. General Terms and Conditions:

- The developers shall not offer any gratuities, favors, or anything of monetary value to any official or employee of TFURA or City for the purpose of influencing consideration to this RFP.
- All proposals submitted must be the original work product of the developer. The copying, paraphrasing, or otherwise using of substantial portions of the work product of another is not permitted. Failure to adhere to this instruction will cause the proposal to be rejected.
- TFURA has no responsibility for any expenses incurred by a developer in the course of responding and/or presenting this or subsequent proposals.
- TFURA may terminate or change the RFP process at any time for any reason with no requirement to disclose its reasoning.
  TFURA also reserves the right to reject any RFP proposal at any time or to terminate any negotiations implied in this RFP or initiated subsequent to it.
- TFURA may change any part of the RFP process at any time for any reason.
- TFURA may accept such proposals as it deems to be in the public interest and furtherance of the purposes of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, the Amended RAA #4-1 Plan, the City Code and City planning documents, or it may proceed with further selection processes, or it may reject any submissions. TFURA will determine, from the information submitted in the responses, the highest ranked proposal to meet the stated duties as evaluated under the criteria set forth herein. The Agency Board will make the final selection.

13. List of Attachments/Resources

Attachments: Release, Waiver & Indemnity Agreement

Resources (Links): https://twinfallsidaho.org and https://www.tfid.org

Text of CB Zone (Title 10 of the Twin Falls municipal code)
https://www.tfid.org/681/Planning-Documents

Survey
Amended RAA #4-1 Plan
Agreement to Negotiate Exclusively Form

Exhibit A

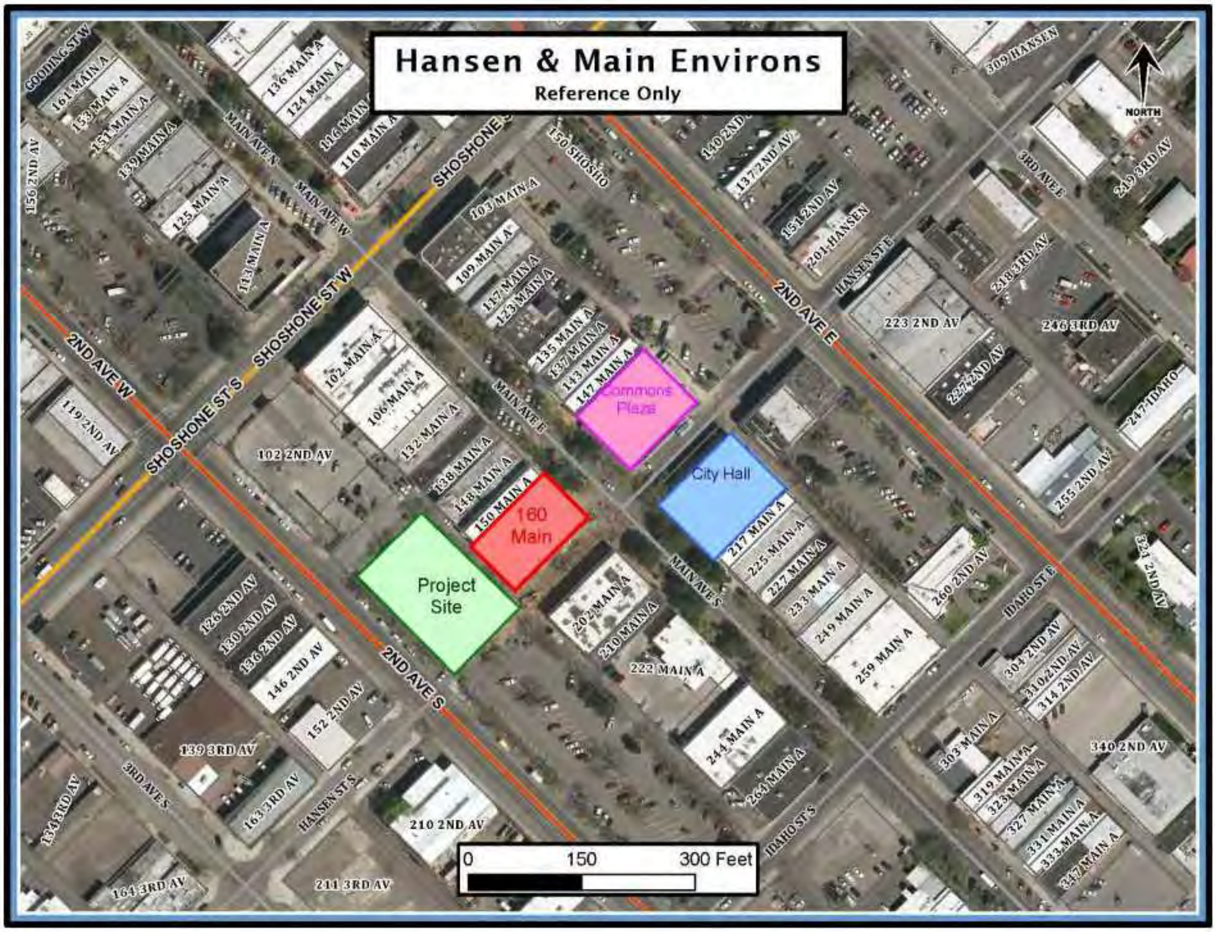

Hansen & Main Environs
Reference Only
NORTH
Commons Plaza
City Hall
160 Main
Project Site
0
150
300 Feet

EXHIBIT C

DEVELOPER PROPOSAL

[28 pages attached]

REQUEST FOR PROPOSAL

2nd and Hansen Development

Urban Renewal Agency of the City of Twin Falls

May 8, 2020

McALVAIN CONSTRUCTION INC.
A BIG-D COMPANY

GALENA
OPPORTUNITY FUND

PIVOT NORTH
architecture


STOP

May 8, 2020

Nathan Murray
Executive Director
Twin Falls Urban Renewal

RE: TFURA Request for Proposal – Hansen St. Garage and mixed use

Dear Mr Murray:

Please consider this a formal request for proposal on the TFURA parking garage and mixed use development site in downtown Twin Falls by Galena Opportunity Inc. and Galena Opportunity Fund (Galena Fund). Galena Fund is an impact investment fund specifically targeting the development of housing within scaled mixed-use developments throughout the northwest, with a focus on repeat investments in Opportunity Zones.

Our request as summarized in the attached response to the to this application are intended to provide a discussion framework for consideration under TFURA Downtown vision documents. The funding request is for an ongoing reimbursement for an agreed upon price and scope of work as the project permits and plans are completed.

We believe that the one of the primary strengths of our request is that the multiphase, scaled project allows for a very short duration between an approval from TFURA and a start of deployment of TFURA funds into a catalyst for downtown development.

On behalf of those we serve,

Bill Truax
President

Encl.

Galena Opportunity Fund
Impact Investing, Development, Performance
www.galenafund.com

802 W Bannock St, Suite 204 | Boise, Idaho 83702
999 W Main St, Suite 1400 | Boise, Idaho 83702

Mailing Address
PO Box 1158 | Boise, Idaho 83701

RELEASE, WAIVER AND INDEMNITY AGREEMENT

The undersigned has read and fully accepts the discretion and non-liability of the Urban Renewal Agency of the City of Twin Falls, Idaho, also known as the Twin Falls Urban Renewal Agency (the "TFURA") and the City of Twin Falls, Idaho (the "City") as stipulated herein.

A. Discretion of City and TFURA

TFURA reserves the right in its sole discretion and judgment for whatever reasons it deems appropriate to, at any time:

1. Modify or suspend any and all aspects of the process for the Request for Proposals (hereinafter "RFP") seeking interested developers for the Property, as defined in the RFP.

2. Obtain further information from any person, entity, or group, including, but not limited to, any person, entity, or group responding to TFURA's RFP (any such person, entity, or group so responding is, for convenience, hereinafter referred to as "Developer"), and to ascertain the depth of Developer's capability and desire to purchase and/or lease and develop the property expeditiously, and in any and all other respects, to meet with and consult with Developer or any other person, entity, or group;

3. Waive any formalities or defects as to form, procedure, or content with respect to its RFP and any responses by any Developer thereto;

4. Accept or reject any proposal or statement of interest received in response to the RFP including any proposal or statement of interest submitted by the undersigned, or select one Developer over another;

5. Accept or reject all or any part of any materials, drawings, plans, implementation programs, schedules, phasings, and proposals or statements, including, but not limited to, the nature and type of development.

B. Non-Liability of City and TFURA

The undersigned agrees: (1) that neither City nor TFURA shall have any liability whatsoever of any kind or character, directly or indirectly, by reason of all or any of the following; and (2) that the undersigned has not obtained and shall not obtain at any time, whether before or after acceptance or rejection of any statement of interest or proposal, any claim or claims against City, TFURA, or any of them, or against City property (all as hereinafter defined) or TFURA, directly or indirectly, by reason of all or any of the following:

1. Any aspect of the RFP, including any information or material set forth therein or referred to therein;

2. Any modification or suspension of the RFP for informalities or defects therein;

3. Any modification of or criteria or selection or defects in the selection procedure or any act or omission of TFURA with respect thereto, including, but not limited to, obtaining information from any Developer contacts or consultations with Developers who have submitted statements of interest or proposals as to any matters or any release or dissemination of any information submitted to TFURA;

4. The rejection of any statement of interest or proposal, including any statement of interest or proposal by the undersigned, or the selection of one Developer over another;

5. The acceptance by TFURA of any statement of interest or proposal;

6. Entering into and thereafter engaging in exclusive negotiations;

7. The expiration of exclusive negotiations;

8. Entering into any development agreement, other agreement or lease, relating to the statement of interest or proposal, or as a result thereof;

9. Any statement, representations, acts, or omissions of TFURA in connection with all or any of the foregoing;

10. The exercise of TFURA discretion and judgment set forth herein or with respect to all or any of the foregoing; and

11. Any and all other matters arising out of or directly or indirectly connected with all or any of the foregoing.

The undersigned further, by its execution of this Release, expressly and absolutely waives any and all claim or claims against TFURA and TFURA property, or City and City property, directly or indirectly, arising out of or in any way connected with all or any of the foregoing.

For purposes of this section, the terms "TFURA," and "City" include their respective commissioners, appointed and elected officials, members, officers, employees, agents, selection committee, volunteers, successors, and assigns; the terms "TFURA property" or "City property" include property which is the subject of the RFP and all other property of TFURA and City, real, personal, or of any other kind or character; the terms "claim or claims" include any and all protests, rights, remedies, interest, objections, claims, demands, actions, or causes of actions, of every kind or character whatsoever, in law or equity, for money or otherwise including, but not limited to, claims for injury, loss, expense, or damage, claims to property, real or personal, or rights or interests therein, and claims to contract or development rights or development interests of any kind or character, in any TFURA and/or City property, or claims which might be asserted against to cloud title to TFURA or City property. The words "Developer or Developers" shall include any person, entity, or group responding to TFURA's RFP.

C. <u>Hold Harmless and Indemnity</u>

The undersigned shall defend, hold harmless, and indemnify TFURA and City, and each of them, from and against any and all claims, directly or indirectly, arising out of the Undersigned's responses to the RFP, including, but not limited to, claims, if any, made by Undersigned or by anyone connected or associated with Undersigned or by anyone claiming directly or indirectly through Undersigned.

Interested Developer
BY: GALENA OPPORTUNITY INC
Its: PRESIDENT

Date: MAY 8, 2020

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF Ada)

On this 8th day of May, 2020, before me, Michelle Green, a Notary Public in and for said State, personally appeared JG William Truax, known or identified to me (or proved to me on the oath of ________) to be the President of Galena Opportunity, an Idaho Corporation, the entity that executed the instrument or the person who executed the instrument on behalf of said entity and acknowledged to me that such entity executed the same.

MICHELLE M GREEN
COMMISSION NO. 20180500
NOTARY PUBLIC
STATE OF IDAHO

Notary Public for the State of Idaho
My commission expires 3/19/2024

4831-2188-8180, v. 1

LEAD ENTITY

GALENA OPPORTUNITY FUND
Contact: Bill Truax, Principal
Office: (208) 844-7060
Email: bill@galenafund.com
Address: 802 W Bannock St Suite #204
Boise, ID 83702
Web Address: https://galenafund.com

DEVELOPMENT TEAM

Galena Opportunity, Inc. (Galena) is pleased to provide this response to the City of Twin Falls. Galena will act as developer of the proposed project. Galena will team with the same group of professionals currently developing the neighboring project at 160 Main, providing continuity between the two projects. This team will include Galena as developer; Pivot North as project architect, with other design sub-consultants currently involved in the 160 Main development; and McAlvain Construction as project contractor. Using the same team allows the project to move forward more quickly and with greater familiarity to the design and building conditions in this area. Contact information for the development team is found below.

DEVELOPER

GALENA OPPORTUNITY FUND
Contact: Bill Truax, Principal
Office: (208) 844-7060
Email: bill@galenafund.com
Address: 802 W Bannock St Suite #204
Boise, ID 83702

ARCHITECT

PIVOT NORTH ARCHITECTURE
Contact: John King, Principal
Office: (208)690-3108
Email: john@pivotnorthdesign.com
Address: 1101 W. Grove Street Suite 101
Boise, ID 83702

STRUCTURAL ENGINEER

AXIOM, PLLC
Contact: Larry Skelton, Principal
Office: (208) 639-4520
Email: LSkelton@axiompllc.com
Address: 121 N 9th Street, Ste 401
Boise ID 83702

CONTRACTOR

MCALVAIN CONSTRUCTION INC.
Contact: John Young, Director of Construction
Office: (208) 362-2125
Email: johny@mcalvain.com
Address: 5559 W Gowen Road
Boise, Idaho 83709

WILLIAM TRUAX

President/CEO

Lead Entity

GALENA OPPORTUNITY FUND

Education

Columbia University, New York, Bachelor of Arts in Economics, 2001

Previously Held Securities Licenses:

Series 6, 7, 63, 65 used in performance of portfolio management for individual and corporate investment management.

Experience:

Galena Opportunity Fund (2018-2020)

President/CEO

Impact investing and Development in Opportunity Zones in high growth markets throughout the Mountain West.

Galena Fund's core strategy is neighborhood creation through residentially-anchored mixed-use real estate development, including workforce housing, charter schools and vertical farming. Targeted investment size of $10MM to $75MM per phased transaction.

Inflection Development LLC (2011-2020)

Manager

Ownership and development of commercial mixed-use, multifamily and single-family financed through conventional and complex financing structures. Extensive program knowledge of federal, state and municipal financing arrangements utilizing LIHTC and tax-exempt bonds and federal funds in various states, including USDA and HUD HOME, TCAP, NSP, CDBG, HUD 236, 221(d) and 223(f) programs.

Community Development Inc. (2008-2016)

President

CDI and its Group of Companies include 3,500+ residential units, 175+ employees across 20 states, and affiliated and subsidiary property and construction management entities. www.cdinet.us/

Joined as Project Finance Manager for multifamily projects with national non-profit housing developer. Advanced to senior then executive positions within first year. Directed all levels of property development including acquisition, entitlement, bidding, contracting, financing and portfolio oversight. Developed more than 2,000 new housing units within a 3,500+ unit portfolio.

Member of the Novogradac Opportunity Zone Working Group, a national advisory panel working to define the Opportunity Zone program as well as to lobby at the federal level.

Recent Investment and Opportunity Zone Speaking Engagements:

- BISNOW 2019 Seattle Opportunity Zones Summit– Seattle, WA
    - OZs in Seattle & the Puget Sound
- Urban Land Institute – Boise, ID
    - Finding Opportunity in Opportunity Zones
    - Emerging Trends in Real Estate 2019
    - Emerging Trends in Real Estate 2020
- IMN Real Estate Family Office and Private Wealth Mgmt Forum (West) – Dana Point, CA
    - Are Opportunity Zones a Goldmine for Family Offices?
- DC Finance Houston Family Office & HNW Annual Conference – Houston, TX
    - The Real Estate Panel – Opportunity Zones
- Idaho Business Review – Experts Forum – Boise, ID
    - Opportunity Zones

Past National Affordable/Workforce Housing Speaking Engagements:

- Southwest Mortgagee Advisory Council (SWAC) – Ft. worth, TX
    - Structuring a Complex Deal (LIHTC/HUD 221(d)(4)/subordinate debt layering)
- Novogradac Conferences – Las Vegas, NV and New Orleans, LA
    - Considering Resyndication – Acq/Rehab Issues
    - Year 15 LIHTC Issues
- Idaho Housing and Finance Association Housing & Economic Development Conference
    - Year 15 LIHTC Projects: Are you prepared?

ROB FRASER

Construction Manager

Lead Entity

GALENA
OPPORTUNITY FUND

Rob is a Construction manager with a 20 year record of success overseeing all phases of multimillion dollar construction, infrastructure projects for private sector and public works clients:

- Building and leading multi-disciplinary contracting delivery teams
- Project management for 40+ multi-family/senior housing developments and commercial sector work
- Construction management for developments throughout the US.
- Pre-construction services: Feasibility, plan review, permitting
- Critical Path Method (CPM) scheduling

Education

Boise State University, Construction Management
University of Idaho, Bachelor of Science, History

Certifications:

Certified Construction Manager (CMAA)
Idaho Public Works

Experience:

Galena Opportunity Fund. (2019-present)

Construction Manager

Owner's representative for opportunity fund and development of mixed use/multi-family projects in the western US.

Radix Construction – Nampa, Idaho (May 2018 – May 2019)

Project Manager
Managed multi-family and mixed use projects: 405 Mixed Use (39) apartment units with retail space (Garden City, Idaho), Parkway 43 (32) units of tax-credit and market rate townhomes (Garden City, Idaho)

Pacific West Builders – Eagle, Idaho (April 2017 – May 2018)

Project Superintendent
Project supervision for construction of (48) unit senior housing project, (250) unit market rate apartment project, ACHD roadways and commercial subdivision improvements in Eagle, Idaho.

Castle Creek Construction Management – Garden City, Idaho (February 2014 – April 2017)

President and Construction Manager
Agency CM - Owner representative and oversight of construction projects for national multi-family non-profit developer in Louisiana, Nevada and Idaho.

Inland Group – Spokane, Washington (September 2011 – January 2014)

Construction Manager/Project Superintendent
Managed construction and development infrastructure, for senior housing projects, from permitting to project closeout.

Beniton Construction – Meridian, Idaho (May 2011 – August 2011)

Construction Manager
Managed and supervised the construction and contract administration of commercial building for a non-profit organization.

Atlanta Gold Corporation – Boise, Idaho (December 2009 – December 2010)

Construction Coordinator
Coordinated and supervised the removal of mining infrastructure on active mine sites in Nevada and the execution of a facilities removal contract with Newmont Mining Corporation.

Wright Brothers, The Building Company – Eagle, Idaho (1996 – 2009)

Senior Project Manager
Project management for commercial general contractor: Managed construction teams, contract administration and management of commercial construction projects in (7) western states.

ARCHITECT

PIVOT NORTH ARCHITECTURE
Contact: John King, Principal
Office: (208)690-3108
Email: john@pivotnorthdesign.com
Address: 1101 W. Grove Street Suite 101
Boise, ID 83702

Pivot North Architecture is led by three principals with 50 years of combined experience executing projects throughout the Pacific Northwest. Based in Boise, Idaho, Pivot North's team focuses on providing design services including architecture, interior design, programming, planning, and sustainable design. Our experience is diverse in both project size and building type and we are committed to further establishing our business and relationships both locally and regionally.

Our creative process relies heavily on collaboration between the design team, delivery team and all stakeholders. The success of each project lies in our team's ability to ask the right question and most importantly, listen intently to the answer. Our staff of 21 full time design professionals provide experience, knowledge of design, trends, building codes and the construction industry.

Select Project Experience:

Mixed-Use:
- 160 MIxed-Use, Twin Falls, ID
- 1st & 4th Mixed-Use, Ketchum, ID
- 5th & Grove Mixed-Use, Boise, ID
- 6th & Grove Mixed-Use, Boise, ID
- 8th & River Mixed-Use, Boise, ID
- 620 W. Idaho Mixed-Use, Boise ID
- 505 W. Bannock Mixed-Use, Boise, ID
- Ash Street Multifamily, Boise, ID
- Kootenai Townhomes, Boise, ID
- Garden Phoenix, Garden City, ID
- Molinari Park Masterplan, Eagle, ID
- Ketchum Workforce Housing Mixed-Use, Ketchum, ID
- Kimberly Multi-Family Development, Kimberly, ID

Civic, Commercial & Education Projects:
- 6th & Front Parking Garage, Boise, ID
- Twin Falls Rec Center, Twin Falls, ID
- Historic Elk's Lodge Renovation (Milners Gate), Twin Falls, ID
- Twin Falls Fire Department, Twin Falls, ID
- Twin Falls County Transfer Station, Twin Falls, ID
- College of Southern Idaho Veterinary Technology Building, Twin Falls, ID
- College of Southern Idaho Canyon Building Improvements, Twin Falls, ID
- 801 Main Street Improvements, Boise, ID
- 1420 Grove Street Renovation, Boise, ID
- West Grove Office TI, Boise, ID

CONTRACTOR

MCALVAIN CONSTRUCTION INC.
Contact: John Young, Director of Construction
Office: (208) 362-2125
Email: johny@mcalvain.com
Address: 5559 W Gowen Road
Boise, Idaho 83709

McAlvain Construction, Inc., is a third-generation Idaho-born and independently managed construction firm established in 1980. We are proud members of the Big-D Family of Companies. As one of the largest construction organizations in the country with revenues approaching $2 billion a year, Big-D's Family of Companies have a long history of providing construction services to customers from a wide variety of industries. This includes a large variety of construction including mixed-use, multi-family housing, commercial, retail, office, restaurants, and parking structures.

McAlvain employs approximately 275 full-time employees (based on workload) consisting of highly trained and skilled certified craftsman, superintendents and foreman, project managers, field engineers, safety personnel, estimators, cost control engineers, accounting personnel and home office support.

McAlvain routinely self-performs 30% of the work on our projects including: earthwork, utilities, rough & finish carpentry, structural and architectural concrete. McAlvain Concrete is ranked #1 by ENR in the Mountain States.

Select List of Projects

Mixed-Use:

- The Broadway, Idaho Falls, ID
- The Idaho Water Center, Boise, Idaho
- IIB Plaza, Boise, ID
- The Royal Plaza, Boise, ID
- Civic Plaza PA2 and PA3, Boise, ID
- Midtown Village, Orem, UT
- Washington Square, Bellevue, WA

Multi-Family Housing:

- The Vista West Apartments, Boise, ID
- The Vista East Apartments, Boise, ID
- Rivers Edge Apartments, Boise, ID
- Civic Plaza PA2 and PA3, Boise, ID
- The Alexander Residential Tower, Philadelphia, PA
- City Vue II Apartments, Eagan, MN

Parking Structures:

- St. Luke's NW Downtown Parking Structure, Boise, ID
- St. Luke's Children's Hospital Parking Structure , Boise, ID
- Jack's Urban Meeting Place Parking, Boise, ID
- Boise Air Terminal Parking Garage Expansion, Boise, ID

STRUCTURAL ENGINEER

AXIOM, PLLC
Contact: Larry Skelton, Principal
Office: (208) 639-4520
Email: LSkelton@axiompllc.com
Address: 121 N 9th Street, Ste 401
Boise ID 83702

At Axiom, we specialize in solving tough problems quickly. From structural design and engineering services to Building Information Modeling (BIM) and integrated steel delivery, Axiom engineers seek opportunities to innovate, facilitate cost estimates, and control schedule early in the building life cycle.

At Axiom, our team of structural design professionals specialize in speed to occupancy for our clients. Axiom's team utlizes lean constructon principles as a backbone to the Axiom Predictable Data Advantage which promotes cost predictability across structural trade partners. Axiom is focused on going fast and controlling costs with balanced outcomes to ensure there is not a premium paid for schedule compression. Axiom's team utlizes the latest sofware to share Building Informaton Modeling (BIM) content with all partners increasing estmatng accuracy in early stages. This fabricaton ready BIM content is shared with trade partners downstream, leading to both reduced risk and increased speed for constructon. The result is a reducton in structural project costs while delivering materials to site in record tme.

Our structural engineering services include:
- Full-Service Building Structural Design
- Integrated Steel Delivery
- Complete BIM Design
- Specialty Structures
- Seismic Design
- Structural Evaluatons

Select List of Projects

Mixed-Use:
- 5th & Grove, Boise, ID
- 6th & Grove, Boise, ID
- The Fowler, Boise, ID
- The Watercooler, Boise, ID
- One Nineteen Condos, Boise, ID
- The Afton, Boise, ID
- Cartee, Boise, ID
- Ocean Street Apartments, Santa Cruz, CA

Multi-Family Housing:
- Virginia Street Apartments, San Jose, CA
- Frishman Hollow Apartments, Truckee, CA
- Ansley Park Apartments, Wilmington, NC
- Kennesaw Town Center, Kennesaw, GA

Commercial:
- Idaho State Capital Garage, Boise, ID
- Boise State Lincoln Parking Garage, Boise, ID
- Chobani Office Building, Twin Falls, ID
- Inn at 500, Boise, ID
- Gramercy Office Building
- The Broadway, Idaho Falls, ID
- D.L. Evans Banks, Various Locations

FORM OF ORGANIZATION OF LEAD ENTITY

A single-purpose limited liability company will be created for the development of the project.

LEAD ENTITY EXPERIENCE AND INFORMATION

Gelana Opportunity, Inc., was created in 2018 to develop properties in areas designated as Qualified Opportunity Zones in the 2017 Tax Cuts and Jobs Act. While Galena is a relatively new company, its principals have been involved in the development of over $500 million of multifamily, residential, office, medical and retail real estate developmentt. Details of experience are found within team member resumes contained in this proposal.

Galena's website is found at: www.galenafund.com.

The project lead for the development will be Bill Truax. His contact information is found under the development team description earlier in this proposal.

ONE SIXTY MIXED-USE

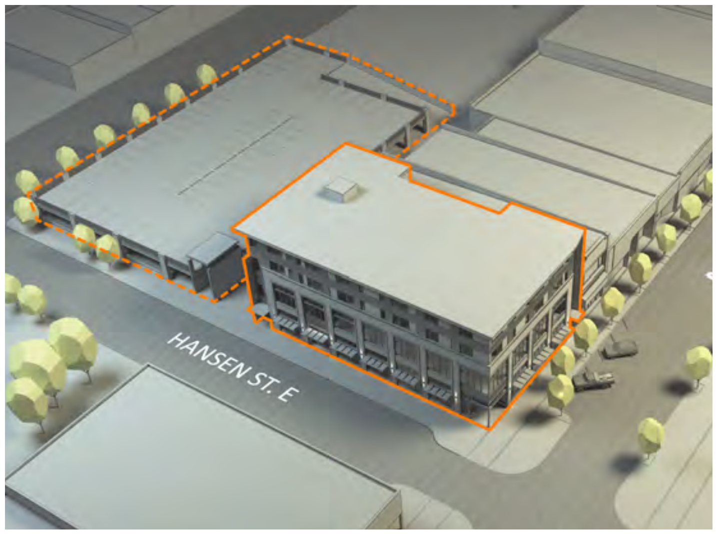
Twin Falls, Idaho

Statistics: 54,000 Gross Sq Ft
Ground Floor Retail
Second Floor Office Space
44 Rental Units

Construction to start this spring, this proposed mixed-use project will bring residential, commercial, and retail/office space to downtown Twin Falls, Idaho. The project will serve to extend the City's efforts to refresh and revitalize the downtown core.

The project design responds and compliments the newly renovated City Hall located on the site next door, as well as the new downtown commons directly across the street. Ground level commercial spaces engage and enhance the pedestrian environment and social connectivity to the improved civic amenities.

Full time residents along with office and retail tenants will help to activate and revitalize the downtown core.



6TH & GROVE MIXED-USE

Boise, Idaho

Statistics:
- 60-Unit Affordable Housing
- 65,625 Gross Sq. Ft
- 6,000 Sq Ft Retail
- 8,000 Sq Ft Office Space
- Public-Private Partnership
- Completion: Fall 2021

6th & Grove is a 7-story multi-family mixed use project providing 5 stories of residential use that sit above a concrete podium consisting of retail space on street level and office space on second level.

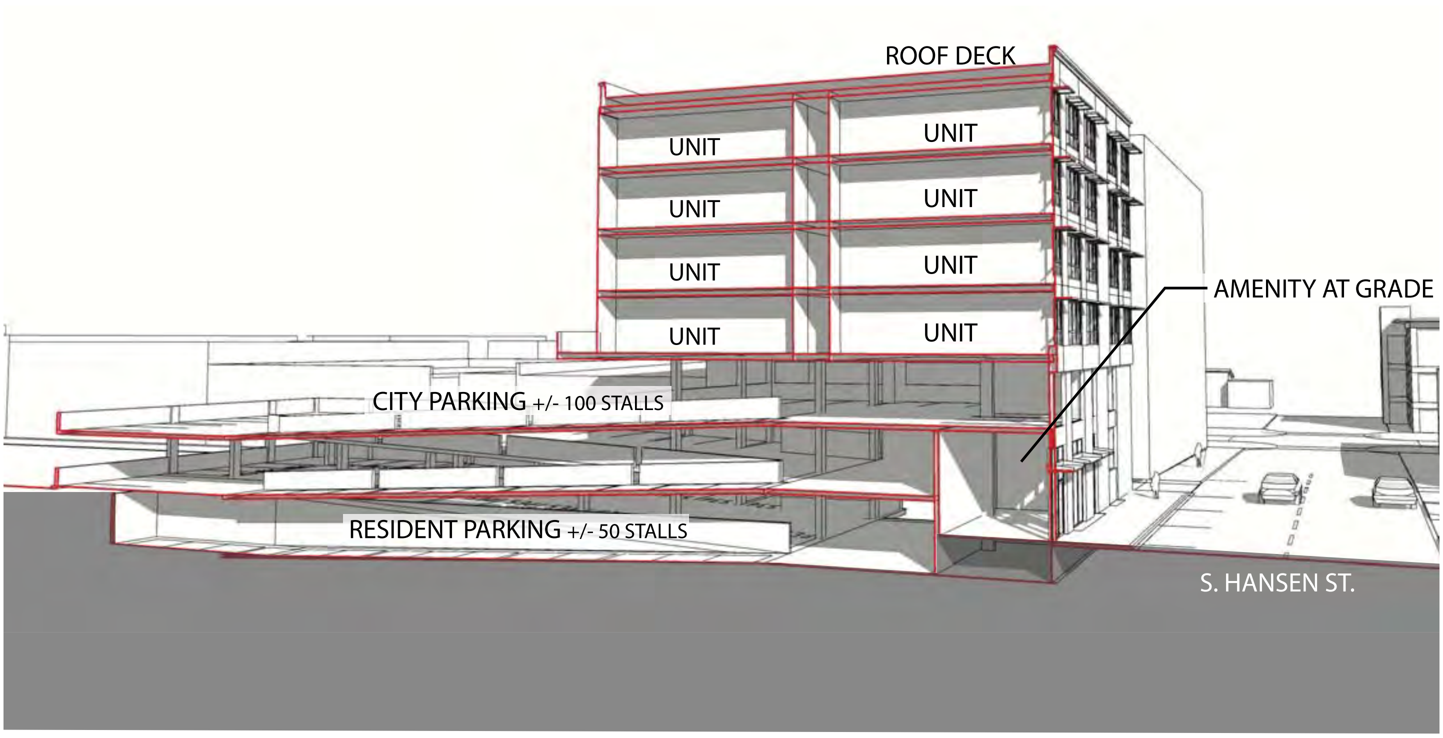
The facade material is composed mostly of brick articulated throughout with different depth, corbeling and courses. At the podium levels where pedestrians are concerned, vertical brick mass and 2-story-high storefront provide appropriate scale and transparency to the street experience. Steel plate canopies provide weather protection, this along with intricate brick detailing helps provide a human scale to the building at the ground plane.

The project is a proposed new 44-unit building at the prime corner of 2nd and Hansen in downtown Twin Falls. 44 residential units in a mix of studio, 1- and 2-bedroom units bring much-needed housing to the urban core of Twin Falls.

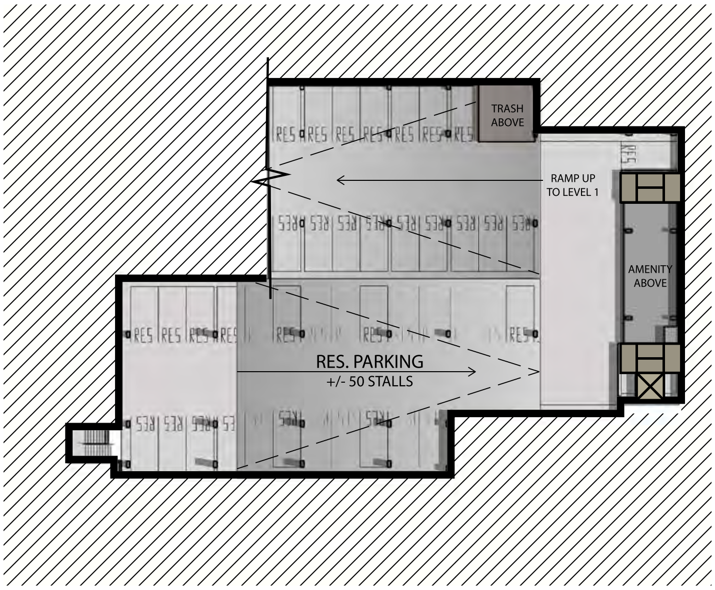
The project proposes on-grade resident lobby, bicycle parking and fitness spaces to activate Hansen and 2nd Ave, continuing the activity of Main Street to this burgeoning area. A rooftop amenity deck provides an additional amenity to the building, providing unparalleled views of the surroundings.

Unit Breakdown:

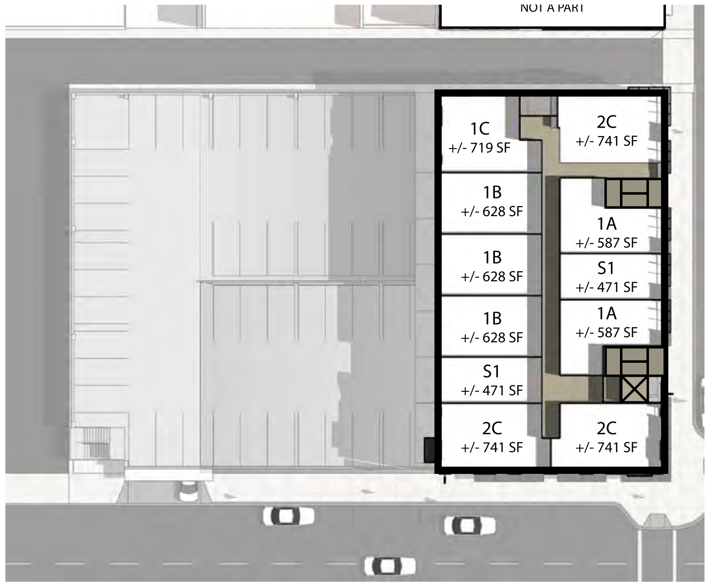
*Proposed 6-story residential building
- 44 new residential units
- A mix of studio, 1- and 2-bedroom units
- 8 studios (471 sf ave.)
- 24 1-bedrooms (630 sf ave.)
- 12 2-bedrooms (741 sf ave.)
- Approx. 2,000 sf ground level amenities and 750 sf rooftop amenity deck



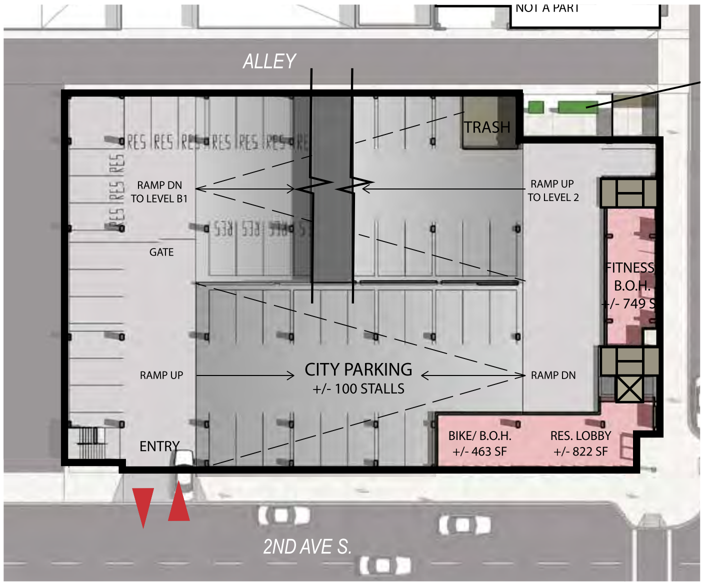
SECTION LOOKING NORTH



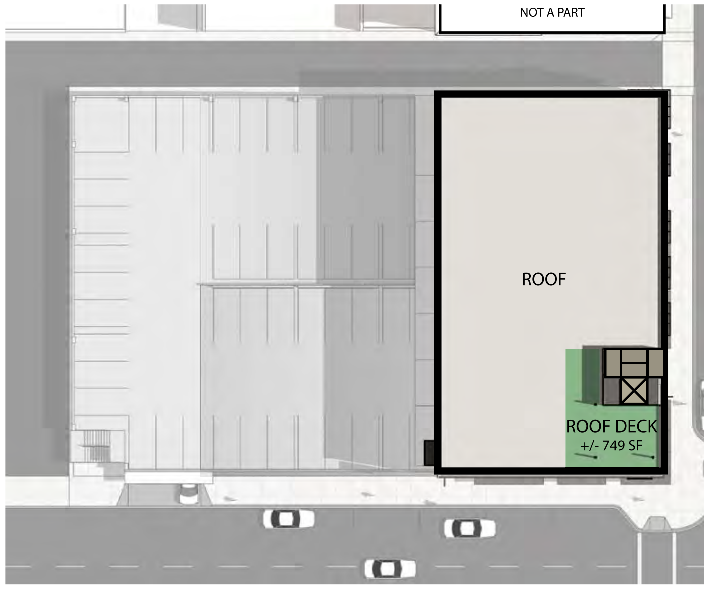
BASEMENT LEVEL B1 PLAN



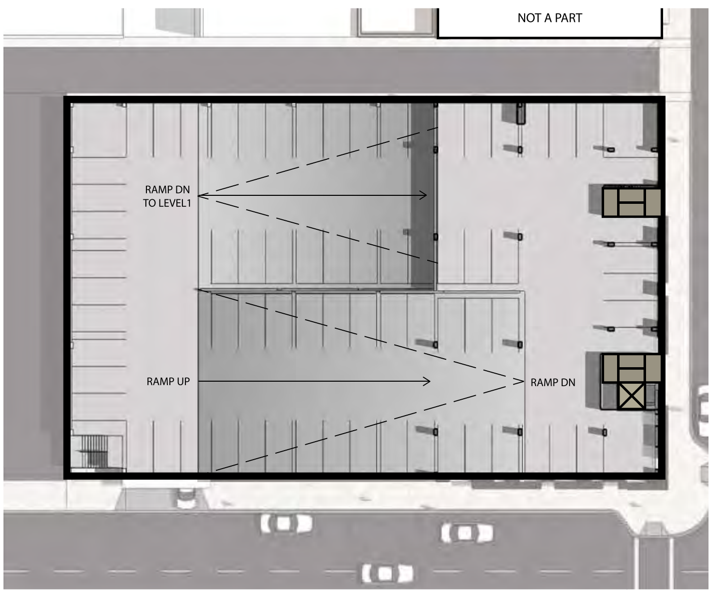
RESIDENTIAL LEVEL 3-6 PLAN



GROUND LEVEL PLAN



ROOF LEVEL PLAN



LEVEL 2 PLAN


COMET
HANSEN ST S
ONE WAY


THE COMET

DESCRIPTION OF ANY PROPOSED TRUFA FINANCIAL ASSISTANCE OR PARTICIPATION, IF ANY

Galena is interested in owning the forty-four multifamily units. However, Galena would look to the Twin Falls Urban Renewal Agency to own the parking structure. Galena would lease from TFURA one stall per residential unit for the residential units in both the 160 Main building as well as this newly proposed residential building.

While Galena would not own or operate the parking structure, Galena would include in its scope of work the development of both the parking structure and the multifamily units, so the project could be developed as one.

OTHER POSSIBLE ARCHITECTURAL CONCEPTS:


MENU

PROJECT SCHEDULE

It is anticipated that predevelopment activities will require approximately nine months. Predevelopment activities include:

- Finalization of project plan
- Negotiation of ENA/DDA
- Special use permit process
- Project design

A high-level outline of the timeline of predevelopment activities is found below.

Construction is projected to take 14-16 months.

Completion would occur in the second quarter of 2022.

OUTLINE OF PREDEVELOPMENT ACTIVITES

GARDEN CITY
NESTLED BY THE RIVER

DEVELOPMENT SERVICES DEPARTMENT

6015 Glenwood Street ▪ Garden City, Idaho 83714
Phone 208/472-2921 ▪ Fax 208/472-2996 ▪
www.gardencityidaho.govoffice

April 2, 2020

To Whom It May Concern:

The Parkway Station project in Garden City is a truly transformational vision that has developed over the years to become a highly integrated and easily recognized infill area. Prior to working with Bill Truax, the Veterans Memorial Parkway/N. Adams St. area of Garden City had an incoherent land use pattern and was severely distressed and underutilized. The 2006 Garden City Comprehensive Plan identified this area as a mixed-use destination area. At the time, this vision was considered unrealistic by most. The City's Urban Renewal Agency remodeled the Riverfront Park in 2008 to attract a potential redevelopment. These developers embraced the City's vision and utilized the park as a keystone in their project. Parkway Station has matured through a leveraging of the collective efforts to provide people living with easy access to Boise, Garden City, and Meridian downtown areas. Parkway Station's scale and impact has exceeded our original 2006 comprehensive plan targets and has catalyzed further redevelopments in Garden City.

We have worked with the Parkway Station developers continuously over the years in shaping the master plan to highlight one of the neighborhood's targeted objectives of increased pedestrian and bike utilization, connecting current and future commercial areas at Adams Street to the Boys and Girls Club, Riverfront Park and the Greenbelt, with Greenbelt-to-Downtown as an increasingly popular commute option. The neighborhood has redeveloped to include: new for-sale and for rent townhouses, market-rate and affordable apartments, retail, improvements to the Boys and Girls Club and FUTURE, a new STEM Charter School. The City holds this team with high regard and has recently approved another phase of this development, a new 150,000 SF mixed-use building.

We are enthusiastic to hear that this team is bringing their expertise to other strategically important locations in the region to create mixed-use and mixed-income development, as infill development that will efficiently utilize the region's infrastructure and services, bring jobs, and affordable living options to this rapidly growing valley.

Sincerely,

Jenah E. Thornborrow

Jenah E. Thornborrow
Director
JTHORN@GARDENCITY.ORG

Boston Capital

March 13, 2020

To Whom It May Concern:

Boston Capital, headquartered in Boston, MA, is a real estate investment and advisory firm specializing in equity investments in affordable multifamily housing and market rate apartment c ommunities. Boston Capital has invested in more than 3,475 multifamily apartment properties in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam, constituting more than 219,574 apartment homes. Boston Capital is one of the largest owners/investors of apartment properties in the United States and have provided construction monitoring and asset management services for all of our properties.

Since 2014, Boston Capital has invested in three projects sponsored and developed by Bill Truax's team investing more than $17MM with this development team. We are in the process of closing a $9. 7MM equity investment in the 6th and Grove mixed-use development with Bill in downtown Boise, which is anticipated to start construction in May 2020.

We have found Bill to be a highly responsive development partner with a very active focus in building an effective design and construction team. Over the last several years, the teams have delivered projects on time and on budget. Based on our positive experience on prior developments, BC would be very interested in partnering with Bill on future apartment projects, including their proposed mixed-use deal in Meridian, which is scheduled to begin construction in Ql 2 021. Together, Bill and his team have repeatedly brought quality projects and creative ideas to the table in order to provide more attainable housing, which is an important testament to the quality of work that they command on all of their projects.

Boston Capital holds the team with high regard and would welcome the opportunity to partner with them in the future.

Should you have any questions, please do not hesitate to call me at (617) 624-8809.

Best Regards,

Michele Hornok

Vice President, Acquisitions

Boston Capital Corporation One Boston Place Boston. MA 02108-4406 Phone: 617-624-8900 Fax: 617-624-8999

Project:
Location:
Project Start:
Project Completion:

Contact:
Phone:
Email:
Address:

PNC REAL ESTATE

February 13, 2020

To Whom It May Concern:

Over the last five years, PNC has invested in projects sponsored and managed by Bill Truax's team. PNC currently has committed or deployed more than $27MM and has recently approved another $9MM investment to be deployed in 2020 Q2.

PNC has found Bill's management style to be based on a partnership approach with a very active focus on building an effective design and construction team. Over the last several years, the teams that Bill has managed have proved to be very successful with projects delivered on time and under budget. Bill and his team have also been diligent to meet the timely reporting requirements of PNC's institutional investors.

PNC holds Bill and his team with high regard and actively pursues projects that he sponsors on both the equity and debt side.

Best Regards,

Robert Dicks
Vice President

Member of The PNC Financial Services Group
121 SW Morrison Suite 1300 Portland, Oregon 97204
www.pnc.com/realestate

DEVELOPMENT TEAM CONTACT:

Bill Truax, Principal
(208) 844-7060
bill@galenafund.com

802 W Bannock St Suite #204
Boise, ID 83702
https://galenafund.com

EXHIBIT D

PROFORMA FORM

(not available at time of publishing agenda packet)

<u>EXHIBIT E</u>

DEVELOPMENT TEAM

(not available at time of publishing agenda packet)

Owner:

Key Owner Management Team:

Local Project Manager:

Principal Designer:

Design Representative:

Design Team:

<u>EXHIBIT F</u>

SCHEDULE OF PERFORMANCE

Section	Action	Due Date
2	Developer Deposit Delivered to Agency	5 Business Days after Effective Date
3.3	Developer Submission of Design Development Plan to Agency	60 Days after Effective Date
3	Design Development Plan Approval Deadline	120 Days after Effective Date
4.1.1	Developer Submission of Proforma to Agency	30 Days after Approval of Design Development Plan
4.1.2	Agency Order Reuse Appraisal	10 Days after Receipt of Reuse Appraisal Data
4	Negotiation Period Deadline	210 Days after Effective Date

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Date: Monday, December 14, 2020

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray, Executive Director

ACTION ITEM

Request:

Consideration of a request to sign Resolution No. 2020-18 approving the 6th Amendment to the Disposition & Development Agreement relating to the 160 Main Avenue South development to address the reimbursement of certain electrical infrastructure and an update to the status of financing contingency.

Background:

The Developer has obtained the necessary financing for the project and Developer elects to proceed to Closing. The need for the amendment is to move the previous closing date of November 30, 2020, to January 15, 2021. Agency Staff and Legal Counsel are reviewing the financial information submitted by Developer, and Agency is working with Developer to provide all of the final information on the Project budget. Upon submission of updated and requested information by Developer, the Agency will remove its financing contingency. The Developer's closing of its financing for the Project will be concurrent with the Closing of the property.

Additionally, the Developer intends to construct electrical utility infrastructure for their project, as well as related infrastructure on adjacent publicly owned property in the alleyway and the property to the south. The Developer is asking the Agency for reimbursement of those costs, not directly associated with their project at this time upon final inspection and approval of their project. Design of the infrastructure, funding, and reimbursement timetables are described in additional detail in the attached amended agreement.

Approval Process:

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

Budget Impact:

Reimbursement expenses to the developer will come from the budget within RAA #4-1.

Regulatory Impact:

N/A

Conclusion:

Given that the majority of the structural work on the shared wall is completed, and the developer has construction financing in place, deadline extensions to the current DDA are reasonable and warranted. Staff recommends that the Board move to extend the deadlines outlined in the DDA.

Attachments:

1. 160 - Resolution 2020-18 DDA 6th Amendment

RESOLUTION NO. 2020-18

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 THE AGENCY TO ENTER INTO THE SIXTH 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 SIXTH AMENDMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR AND VICE-CHAIR TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE SIXTH AMENDMENT AND TO MAKE ANY NECESSARY TECHNICAL CORRECTIONS TO THE SIXTH 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, 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;

WHEREAS, on July 13, 2020, Developer requested Agency grant a fourth amendment to the DDA seeking a contingency to Developer's obligations under the DDA and the Early Entry Agreement ("EEA") for the acceptance and cooperation of D L Hope in reinforcement of the ES Building;

WHEREAS, the Fourth Amendment to the Disposition and Development Agreement, was adopted by the Agency Board on July 13, 2020, by Resolution No. 2020-11, and dated effective July 14, 2020;

WHEREAS, the Developer requested Agency grant a fifth amendment to the DDA seeking additional funds for reimbursement under the DDA and EEA for Developer's demolition and reinforcement obligations under the DDA and the EEA, and extending the deadline to close to December 31, 2020, and further extending other deadlines as set forth in the DDA, as amended;

WHEREAS, the Fifth Amendment to the Disposition and Development Agreement, was adopted by the Agency Board on October 14, 2020, by Resolution No. 2020-15, and dated effective October 14, 2020;

WHEREAS, Collectively the DDA as amended may be referred to as the "DDA;"

WHEREAS, the Developer has commenced and is continuing demolition under the EEA;

WHEREAS, the Developer and Agency are working together to submit and review necessary information to satisfy the Agency of the total Project costs, construction contract, and that Developer has a loan and other funding necessary to pay for the Project to obtain Agency's approval as required under the DDA;

WHEREAS, Developer anticipates closing on the financing the week of January 25, 2021;

WHEREAS, the demolition completion deadline and the Closing Date specified in the Fifth Amendment need to be extended based on the current status of demolition and financing;

WHEREAS, Developer has requested reimbursement for certain electric utility infrastructure improvements related to power upgrades and relocation costs beyond those necessary to serve the Project;

WHEREAS, the parties desire to amend the DDA to update the status of the financing contingency, address schedule extensions, and provide for reimbursement of certain electric utility infrastructure improvement costs, based on the terms and conditions contained herein;

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

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Sixth Amendment to the DDA and to authorize the Chair or Vice-Chair to execute and the Secretary to attest the Sixth 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 Sixth 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 reimbursement for certain electric utility infrastructure improvements related to power upgrades and relocation costs and extending the deadline to close to January 29, 2021, and further extending other deadlines as set forth in the DDA, as amended, 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 Sixth Amendment to the DDA and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the Sixth 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 Sixth 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 Sixth Amendment to the DDA and the comments and discussions received at the December 14, 2020, Agency Board meeting. Agency is further authorized to appropriate any and all funds contemplated by the Sixth Amendment to the DDA, and to perform any and all other duties required pursuant to said Sixth 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 December 14, 2020. Signed by the Chairman of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on this 14th day of December 2020.

APPROVED:

____

Rudy Ashenbrener, Chair

ATTEST:

____

Dan Brizee, Secretary

4852-4500-3220, v. 2

Exhibit A

Sixth Amendment to the Disposition and Development Agreement

[11 pages]

Sixth 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 SIXTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT ("Amendment") is entered by and between the Urban Renewal Agency of the City of Twin Falls, Idaho, an independent 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 Law and 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, that certain Third Amendment to the Disposition and Development Agreement dated effective June 30, 2020, that certain Fourth Amendment to the Disposition and Development Agreement dated effective July 14, 2020, and that certain Fifth Amendment to the Disposition and Development Agreement dated effective October 29, 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, as amended in the Agreement ("EEA")) and construct improvements on the Property, as more particularly described in the Agreement;

WHEREAS, the Developer has commenced and is continuing demolition under the EEA;

WHEREAS, the November 13, 2020, deadline for Developer's financing contingency as extended in the Fifth Amendment has passed;

WHEREAS, the Developer has obtained financing with an estimated loan closing of no later than January 29, 2021;

WHEREAS, the Developer and Agency are working together to submit and review necessary information to satisfy the Agency of the total Project costs, construction contract, and that Developer has a loan and other funding necessary to pay for the Project to obtain Agency's approval as required under the DDA;

WHEREAS, the demolition completion deadline and the Closing Date specified in the Fifth Amendment need to be extended based on the current status of demolition and financing;

WHEREAS, Developer has requested reimbursement for certain electric utility infrastructure improvements related to power upgrades and relocation costs beyond those necessary to serve the Project; and

WHEREAS, the parties desire to amend the Agreement to update the status of the financing contingency, address schedule extensions, and provide for reimbursement of certain electric utility infrastructure improvement costs, 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. **Financing Contingency.**

    a. Satisfaction and Waiver of Developer's Financing Contingency. Developer has obtained its necessary financing and the Financing Deadline has passed. Therefore, Developer's financing contingency has been satisfied and/or waived and Developer elects to proceed to Closing.

    b. Submission and Agency Approval of Developer Financing. Agency is reviewing the financial information submitted by Developer, and Agency is working with Developer to provide all of the information on the Project budget and financing necessary to show its ability to pay for and complete the Project. Upon submission of updated and requested information by Developer, Agency will review such further information. Upon satisfactory submission and approval of the information by the Agency, the Agency will remove its financing contingency. Developer's closing of its financing for the Project will be concurrent with the Closing.

2. **Early Entrance/Demolition/EEA.** The parties agree to extend the Developer's completion of work under Early Entry and Reimbursement Agreement dated August 28, 2019 ("EEA"), to no later than January 15, 2021.

3. **Reimbursement for Certain Infrastructure Costs.**

    a. Electric Utility Reimbursement.

    Section 10 of the DDA is amended by adding the following new Section 10.7, and a new Attachment 11 (attached to this Amendment as Exhibit A) is added to the DDA, as follows:

    10.7 Capital Improvement Reimbursement.

Developer intends to construct certain electric utility improvements in or adjacent to, or being relocated to, the public alleyway adjacent to the Site which will benefit the public and other property near the Project (the "Utility Project"). The Utility Project is more accurately depicted on **Attachment 11.** Agency will reimburse the Developer for the cost of the Utility Project consistent with the Agency's obligations set forth in this Section 10.7. Agency's commitment in this Section 10.7 is designed to comply with Agency's authority under the Act and the Plan and is intended to constitute an expenditure of Agency funds for a public purpose and not be deemed a gift or donation of public funds.

10.7.1 Construction of the Utility Project.

The Utility Project shall be constructed in accordance with the overall City infrastructure plans, policies, and design standards, as well as any design standards set by the electric utility, and in conjunction with the Project. Upon Agency's request, Agency shall have the right and the opportunity to review any construction plans, budgets, and bids for the Public Project. The Utility Project shall be undertaken in a commercially reasonable manner consistent with construction plans. An estimate of Costs is described and set forth on **Attachment 11** (the "Cost Estimate"). Unless otherwise agreed to in the Agreement, any other public improvements constructed by Developer as part of the Project are not eligible for reimbursement. (Notwithstanding the foregoing sentence, the Agency has agreed to reimburse Developer for certain eligible costs as provided under the EEA.) Additionally, Agency's reimbursement obligation for the Utility Project is limited to the Reimbursable Costs set forth in Section 10.7 of the Agreement.

10.7.2 Funding of Utility Project.

Subject to Agency's reimbursement obligation, Developer shall pay for all of the costs of construction for the Utility Project. The reimbursement payment to Developer by Agency shall be made as set forth below. Agency acknowledges the Cost Estimate is an estimate provided by Developer and that actual total costs, as well as each line item of cost, will be less than the Cost Estimate and no more than the Reimbursable Costs.

10.7.3 Approvals of Utility Project.

Developer shall be responsible for obtaining necessary approvals for design, construction, installation and operation of the Utility Project from the governmental and other entities, including to the extent necessary, but not limited to, City, utility, and other governmental entities having approval authority for the Utility Project. Developer shall keep Agency advised of the approval process and advise Agency immediately if any action during the approval process shall affect the scope and purpose of this Agreement.

10.7.4 Warranty on Utility Project.

Developer warrants that the materials and workmanship employed in the construction of the Utility Project shall be good and sound and shall conform to generally accepted standards within the construction industry. Such warranty shall extend for a period of one (1) year after the issuance of the Certificate of Completion by Agency, provided nothing herein shall limit the time within which Agency may bring an action against Developer on account of Developer's failure to otherwise construct any portion of the Utility Project in accordance with this Agreement. The one-year warranty period does not constitute a limitation period with respect to the enforcement of Developer's other obligations under the Agreement.

10.7.5 Estimated Costs for Utility Project.

Developer has estimated the cost of the Utility Project as stated in the Cost Estimate. Agency will reimburse Developer for "Actual Eligible Costs" in an amount not-to-exceed Two

Hundred Forty-One Thousand Five Hundred Dollars and No Cents ($241,500.00) (the "Reimbursable Costs") for the Utility Project. "Actual Eligible Costs" will be costs eligible for reimbursement determined by Agency based on its policies, procedures and guidelines.

10.7.7 Determining Actual Eligible Costs.

Developer is responsible for submitting invoices or receipts for work performed as part of the Utility Project (the "Cost Documentation") within thirty (30) days following receipt of the Certificate of Occupancy on the residential portion of the Project. Cost Documentation shall include the following: (a) invoices from the utility and/or Developer's general contractor, subcontractor(s) and material suppliers for each type of eligible cost item. Invoices shall specify quantities and unit costs of installed materials, and a percentage estimate of how much installed material was used for the Utility Project in comparison to the amount used for the remainder of Developer's Project; (b) explanation of any significant deviation between the Cost Estimate and the actual costs in the Cost Documentation; and (c) any other supporting information reasonably requested by Agency.

In the event Developer fails to timely deliver the Cost Documentation, Agency may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Developer with written notice of such default. Developer shall have thirty (30) days from such written notice to cure the default. In the event Developer fails to timely cure such a default, Agency's payment obligations under this Section 10.7 may be terminated in Agency's sole discretion. Within fifteen (15) days of Agency's receipt of the Cost Documentation, Agency will notify Developer in writing of Agency's acceptance or rejection of the Cost Documentation and Agency's determination of the Actual Eligible Costs to be reimbursed. Agency shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the Cost Estimate. **In no event will the Actual Eligible Costs exceed the Reimbursable Costs.**

If Developer disagrees with Agency's calculation of the Actual Eligible Costs, Developer must respond to Agency in writing within three (3) days explaining why Developer believes Agency's calculation was in error and providing any evidence to support any such contentions Developer wants Agency to consider. Agency shall respond to Developer within three (3) days with a revised amount for the Actual Eligible Costs or notifying Developer that Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final. **Agency's determination of the Actual Eligible Costs is within its sole discretion.**

10.7.8 Conditions Precedent to Agency's Payment Obligation.

The conditions set forth in the Agreement must be met, a Certificate of Occupancy issued on the residential portion of the Project, and Developer must timely submit its request and Cost Documentation, all before Agency has any obligation to reimburse Developer for the Actual Eligible Costs for the Utility Project. Failure to comply with all Agreement provisions shall be a basis for termination of Agency's reimbursement obligation.

10.7.9 Payment Terms.

Upon the final determination of Actual Eligible Costs, Agency shall reimburse Developer for the amount of the Actual Eligible Costs up to, but not exceeding, the amount of Reimbursable Costs.

10.7.10 Indemnification Regarding the Utility Project.

Developer shall indemnify, defend, and hold Agency and its respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees, which may be imposed upon or incurred by or asserted against Agency or its respective officers, agents, and employees relating to the construction or design of the Utility Project. Notwithstanding the foregoing, Developer shall have no obligation to indemnify and hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the negligence or willful act of Agency or its respective officers, agents, or employees or from conduct resulting in any award of punitive damages against the Agency. In the event an action or proceeding is brought against Agency or its respective officers, agents, and employees by reason of any such claims, Developer, upon written notice from Agency, shall, at Developer's expense, resist or defend such action or proceeding.

10.7.11 Default.

Failure to obtain a Certificate of Occupancy for the residential portion of the Project on or before July 1, 2023, constitutes a default. Should such default occur, Agency shall have no obligation to reimburse Developer for the costs of the Public Project.

10.7.12 Utility Reimbursement.

If Developer, the Project, and/or the Agency are eligible for reimbursement of construction costs for the Utility Project through the utility or later users, the refund shall be paid to the Agency. Developer agrees to timely apply for such refund on behalf of Developer, the Project and/or the Agency, and to cooperate and assist the Agency in completing the refund.

4. **Closing Date.** The Closing Date is extended to be no later than January 29, 2021. The closing of the transfer of the Property will be concurrent with the loan closing for Developer's financing of the Project.

5. **Revised Project Schedule.** Exhibit B to this Amendment is a new Attachment 4 replacing the previous Attachment 4 in its entirety.

6. **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.

[End of Text]

EXECUTED EFFECTIVE as of the Effective Date.

__________________, 2020

AGENCY:

URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

By______________________________
Rudy Ashenbrener, 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 December , 2020, before me, ______________________, the undersigned notary public in and for said county and state, personally appeared Rudy Ashenbrener, Chair, known or identified to me to be the Chair of URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, the public body, corporate and politic, who 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 Ada)

On this _____ day of December, 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 ___________________________

EXHIBIT A TO AMENDMENT

NEW ATTACHMENT 11

UTILITY PROJECT DESCRIPTION AND COST ESTIMATE

IDAHO POWER
An IDACORP Company

CUSTOMER COST QUOTE
IDAHO

Customer or Project Name: GALENA OPP FUND- 162 MAIN AVE S/TF NEW BUILDING

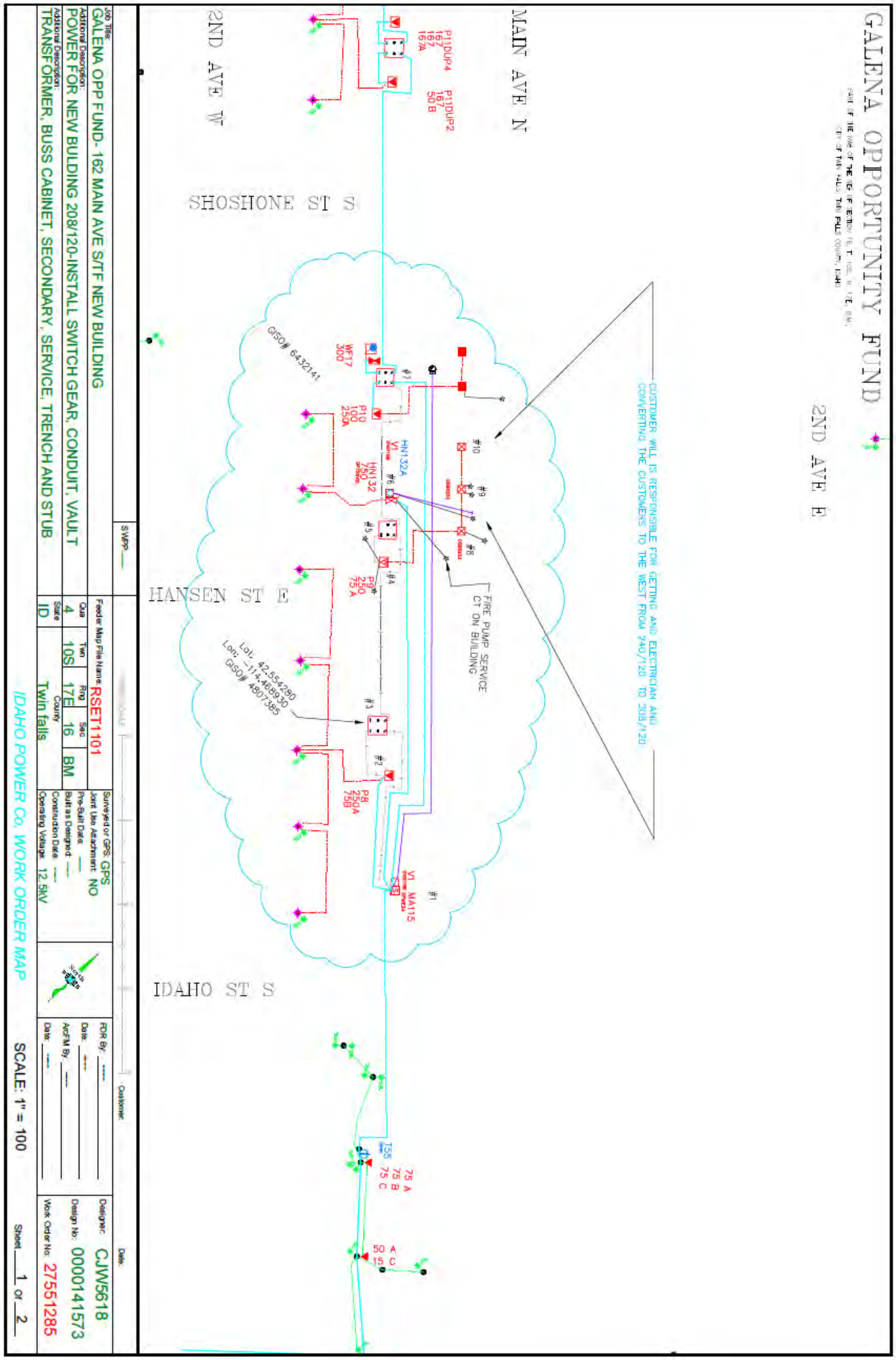
Construction Costs

Line Installation Costs			
1. Line Installation/Upgrade Charge			$28,778
2. Customer Credits	(Betterment, Metering, Salvage)		$(19,071)
3. Customer Performed Construction Work Credit			$0
4. Net Line Installation Cost			**$9,707**
Unusual Conditions			
5. Unusual Conditions			$58,983
6. Unusual Conditions Bank Letter of Credit	(Only for over $10,000)		$0
7. Net Unusual Conditions			**$58,983**
Terminal Facilities Costs			
8. Terminal Facilities			$22,409
9. Terminal Facilities Allowances			$(5,825)
10. Terminal Facilities Salvage			$0
11. Net Terminal Facilities Cost			**$16,584**
12. Underground Service and Attachment Charges			**$0**
13. Engineering Charge			**$1,140**
14. Permits			**$0**
15. Relocation or Removal			**$195,079**
16. Miscellaneous Charges/Adjustments			**$0**
17. Net Construction Costs	(Line Items 4, 7, 11, 12, 13, 14, 15, 16)		**$281,493**
18. Prepaid Charges	(Engineering, Permits & Right-of-Way)	$2,280	
19. Vested Interest Charge			$0
20. Customer Payment Due Prior to Construction Scheduling			**$281,493**

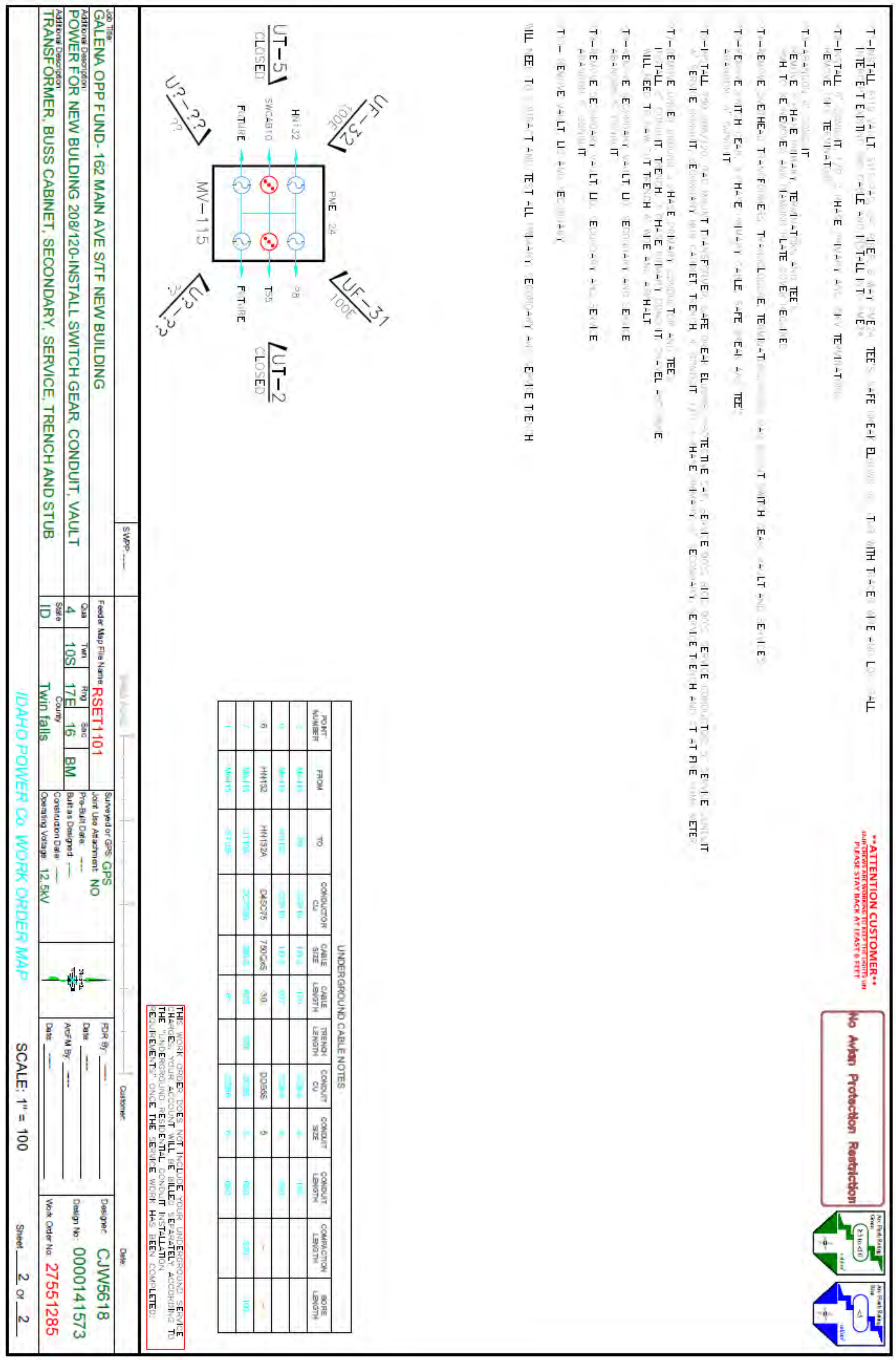
This cost may not include all construction costs, see page 3 if additional service charges apply.

Notes:

CUSTOMER IS RESPONIBLE FOR GETTING AN ELECTICIAN AND CONVERTING THE CUSTOMERS TO THE WEST FROM 240/120 TO 208/120



GALENA OPPORTUNITY FUND
2ND AVE E
MAIN AVE N
2ND AVE W
SHOSHONE ST S
HANSEN ST E
IDAHO ST S
CUSTOMER WILL IS RESPONSIBLE FOR GETTING AND ELECTRICIAN AND CONVERTING THE CUSTOMERS TO THE WEST FROM 240/120 TO 208/120
FIRE PUMP SERVICE CT ON BUILDING
GISO# 6432141
Lat: 42.554280
Lon: -114.488930
GISO# 4807385
Job Title
GALENA OPP FUND- 162 MAIN AVE S/TF NEW BUILDING
Additional Description
POWER FOR NEW BUILDING 208/120-INSTALL SWITCH GEAR, CONDUIT, VAULT
Additional Description
TRANSFORMER, BUSS CABINET, SECONDARY, SERVICE, TRENCH AND STUB
Feeder Map File Name: RSET1101
Qua 4 Twn 10S Rng 17E Sec 16 BM
State ID County Twin falls
Surveyed or GPS: GPS
Joint Use Attachment: NO
Operating Voltage: 12.5kV
IDAHO POWER Co. WORK ORDER MAP
Designer: CJW5618
Design No: 0000141573
Work Order No: 27551285
SCALE: 1" = 100
Sheet 1 of 2



ATTENTION CUSTOMER
No Avian Protection Restriction
UNDERGROUND CABLE NOTES
MV-115
UT-5 CLOSED
UT-2 CLOSED
UF-32
UF-31
GALENA OPP FUND- 162 MAIN AVE S/T/F NEW BUILDING
POWER FOR NEW BULDING 208/120-INSTALL SWITCH GEAR, CONDUIT, VAULT
TRANSFORMER, BUSS CABINET, SECONDARY, SERVICE, TRENCH AND STUB
Feeder Map File Name RSET1101
ID
Twin falls
Designer: CJW5618
Design No: 000141573
Work Order No 27551285
IDAHO POWER Co. WORK ORDER MAP
SCALE: 1" = 100
Sheet 2 of 2

EXHIBIT B

ATTACHMENT 4
PROJECT SCHEDULE

Exhibit B to Sixth Amendment: Attachment 4, Schedule of Performance, The OneSixty Project			
	Action	**Deadline**	**Section**
1	Developer Demolition Approval Deadline	Satisifed & Waived	Fifth & Fourth Amendment
2	Developer Financing Extension Deadline	Satisfied & Waived	Sixth, Fifth & Third Amendment
3	Developer Demolition Completion Deadline	15-Jan-21	Sixth, Fifth & Third Amendment
4	Written Agency Approval of Construction Agreement, Project Budget, Financing	29-Jan-21	Sixth, Fifth &Third Amendment
5	Closing of Funding for Developer Financing	29-Jan-21	Sixth, Fifth & Third Amendment
6	Closing (transfer of Property)	29-Jan-21	Sixth, Fifth & Third Amendment
7	Commencement of Project Construction	29-Jan-21	Sixth, Fifth & Third Amendment
8	Completion of Project Construction	1-Jul-23	Fifth & Third Amendment

4835-6695-3940, v. 2

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, December 14, 2020

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray, Executive Director

DISCUSSION

Request:

Discussion regarding the disposition of Agency property.

Background:

Continuing the Board's discussion from last month, the agency owns 34 individual parcels that need to be planned for with the pending expiration of Revenue Allocation Area #4-1. In general, options are to sell the properties as surplus, seek qualified developers through an RFP Process, or hold on to the properties if they are revenue generating with a mechanism to maintain them.

Attached is a list of properties with county parcel #, size, and current use. There is also a map with corresponding numbers. This past month, Travis Klundt, a commercial appraiser, completed a valuation of seventeen of the parcels that the URA deemed developable. In general, the properties were estimated at a rounded value between $4-5/sf.

In discussing these properties with the Twin Falls City Manager, the only properties he expressed interest in owning, were the lots that include the Downtown Commons and its parking, the parking adjacent to the Senior Center, and the parking lot on 2nd Ave South and Fairfield. All other properties were up for discussion.

Staff had discussions with adjacent businesses to some of the Agency's parking lots, as well as larger employers in the area, and while they all wanted to maintain access to the parking, no one was willing to bid for the lots or pay appraised values.

While we still have several months before the area expires, staff is looking for direction from the Board on which parcels they would like to surplus vs. which parcels they would like to proceed with an RFP process.

Approval Process:

There are no approvals needed at this time. The eventual sale or transfer of the properties will have to follow the process outlined in Idaho Code 50-2011.

Budget Impact:

N/A

Regulatory Impact:

N/A

Conclusion:

The Board needs to identify the highest and best use for each site and determine if it is best to surplus the property, transfer it to the public, or develop it through an RFP process.

Attachments:

1. URA Owned Properties 20201027
2. URA Ownership Map 10.28
3. Land, Other commercial, Twin Falls, 20-2017, Appraisal_R.E.doc

Twin Falls Urban Renewal owned properties

Property Address	***Parcel ID***	***Acreage***	***Est Land Value***	***Current Use***
149 Main Ave E	RPT0001087029A	0.29		Downtown Commons
2nd Ave E (159 Main Ave E)	RPT000108700CA	0.18		Downtown Commons
SW Corner of 2nd Ave E and Hansen St	RPT000108700BA	0.1		Parking Lot
SW Corner of 3rd Ave S and Idaho St	RPT0001133010B	0.5		Parking Lot
341 Hansen St S	RPT0001133017A	0.43		Parking Lot
4th Ave S	RPT0001133023A	0.14		Parking Lot
4th Ave S	RPT0001133025A	0.29		Parking Lot
249 4th Ave S	RPT0001133029A	0.29		Parking Lot
135 5th Ave S	RPT0001145011A	0.65		Parking Lot
229 2nd Ave N	RPT0001085008A	0.5		Parking Lot
241 2nd Ave N	RPT0001085006A	0.14		Parking Lot
5th Ave S	RPT0001155000A	0.49		Parking Lot
South of Minidoka Ave and Hansen St	RPT00107166005	1.49		Parking Lot
244 Railroad Ave S	RPT4401001018A	0.19		Vacant Lot
Maxwell Ave	RPT4401001035A	0.12		Vacant Lot
260 Maxwell Ave	RPT00107166613	0.14		Rock Creek Area
247 Bell St	RPT00107166620	2.77		Rock Creek Area
SE Corner of 5th Ave W and Gooding St	RPT0001153001D	0.43		Parking Lot - Sr. Ctr
SW Corner of 5th Ave W and Shoshone St	RPT0001153007A	0.29		Parking Lot - Sr. Ctr
151 Maxwell Ave	RPT4401001028A	0.23		Vacant Lot
Maxwell Ave	RPT4401001026A	0.23		Vacant Lot
151 Maxwell Ave	RPT4401001030A	0.12		Vacant Lot
274 Victory Ave	RPT00107171241	1.78		Rock Creek Area
270 Victory Ave	RPT 00107171261	0.21		Rock Creek Area
282 Victory Ave	RPT00107171841	0.53		Rock Creek Area
Maxwell Ave	RPT00107210600	18.37		Rock Creek Area
260 Maxwell Ave	RPT00107166612	1.86		Rock Creek Area
Maxwell Ave	RPT00107166145	3.53		Rock Creek Area
Maxwell Ave	RPT00107212550	0.81		Rock Creek Area
260 2nd Ave E	RPT0001088013B	0.29		VA Clinic
215 Shoshone St S	RPT0001118004A	0.19		1 parcel
250 Railroad	RPT00107166631	1.05		Rock Creek Area
260 Maxwell Ave	RPT00107166600	0.59		Rock Creek Area
Maxwell Ave	RPT5061009000A	0.2		Rock Creek Area
		39.42		


URA Properties
23
24
25
10&11
1
2
3
30
31
18
19
9
5
6
7
4
8
13
12
21
20
22
14
15
32
16
33
28
27
17
34
29
26
URA Owned
0
0.075
0.15
0.3
0.45
0.6
Miles
N
10/28/2020 IZ
N:\CommDev\Planning & Zoning\IAN Z\GIS Projects\URA Map

McKinlay & Klundt Appraisal Company

(Bus) (208) 734-5522 P.O. Box 5698 (Fax) (208) 734-9755
Twin Falls, Idaho 83303

AN APPRAISAL REPORT OF

Seventeen Parcels of Vacant Land

LOCATED IN

The Downtown Area of the City of Twin Falls
Twin Falls, Idaho

CLIENT

Urban Renewal Agency of the City of Twin Falls

McKinlay & Klundt Appraisal Company

(Bus) (208) 734-5522 P.O. Box 5698 (Fax) (208) 734-9755
Twin Falls, Idaho 83303

December 2, 2020

Urban Renewal Agency
Nathan Murray, URA Executive Director
203 Main Avenue East
Twin Falls, Idaho 83301

Re: Seventeen Parcels in the Area
Downtown City of Twin Falls,
Twin Falls County, Idaho

Dear Nathan Murray,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one or more opinions about the market value for a 100% ownership interest in the subject property's fee simple estate assuming no liens or encumbrances other than normal covenants and restrictions of record.

The subject property consists of seventeen commercial parcels, most of which are paved parking lots, with the remainder being undeveloped parcels located on or near the Rock Creek Canyon rim. The parcels are owned by the Urban Renewal Agency of the City of Twin Falls, Idaho. The parcels are all located in commercial zoning districts. The parcels range in size from 5,053+/- square feet to 120,792+/- square feet. Additional details on the parcels appraised can be found in the Subject Description Section of the report.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached document, which conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of December 2, 2020.

This letter is not an appraisal report hence it must not be removed from the attached 113-page document. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data, and analysis thereof firmly supports the following final value opinion(s) for the subject property as of September 28, 2020:

Subject Properties				
#	**Address**	**Parcel Number**	**Square Feet**	**Rounded Value**
1	SW Corner of 2nd Ave E and Hansen St	RPT000108700CA	8,015	$35,000
2	SW Corner of 3rd Ave S and Idaho St	RPT0001133010B	21,780	$100,000
3	341 Hansen St S	RPT0001133017A	18,731	$85,000
4	249 4th Ave S	RPT0001133025A	12,502	$55,000
5	135 5th Ave S	RPT0001145011A	28,140	$125,000
6	229 2nd Ave N	RPT0001085008A	21,867	$100,000
7	241 2nd Ave N	RPT0001085006A	6,229	$30,000
8	250 5th Ave S	RPT0001155000A	21,344	$95,000
9	South of Minidoka Ave and Hansen St	RPT00107166005	56,192	$250,000
10	244 Railroad Ave S	RPT4401001018A	8,320	$25,000
11	237 Maxwell Ave	RPT4401001035A	5,053	$15,000
12	SE Corner of 5th Ave W and Gooding St	RPT0001153001D	18,600	$85,000
13	SW Corner of 5th Ave W and Shoshone St	RPT0001153007A	12,545	$55,000
14	151 Maxwell Ave	RPT4401001028A	10,019	$30,000
15	260 Maxwell Ave	RPT00107166613	6,186	$3,000
16	247 Bell St	RPT00107166620	120,792	$60,000
17	274 Victory Ave	RPT00107171241	77,667	$40,000

Thank you for your business. Let us know how we may further serve you.

Dave McKinlay
Certified General Appraiser-71
McKinlay & Klundt Appraisal Co.
License Expiration Date: 04/08/2021

Travis Klundt
Certified General Appraiser-2212
McKinlay & Klundt Appraisal Co.
License Expiration Date: 01/13/2021

Table of Contents

Overview • • •

Salient Information	
Property Type	Vacant Land
Real Estate Appraised	Seventeen Parcels Twin Falls, Idaho
County	Twin Falls
Estate Valued	100% of the Fee Simple Estate
Client	Urban Renewal Agency of the City of Twin Falls
Client File Number	20-2017
Intended Use	Decisions by Ownership
Intended User	Urban Renewal Agency of the City of Twin Falls
Most Likely Buyer	Secure Income Investor/Owner-User
Effective Value Date *(point in time that the value applies)*	September 28, 2020
Report Date *(date the report is transmitted to client)*	December 2, 2020

Subject Properties				
#	Address	Parcel Number	Square Feet	Rounded Value
1	SW Corner of 2nd Ave E and Hansen St	RPT000108700CA	8,015	$35,000
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17	274 Victory Ave	RPT00107171241	77,667	$40,000

Noteworthy Issues

No atypical factors significantly affect value. The real estate appraised is generally typical for this type property in this locale.

♦ Scope of Work • • •

Scope of Work

Introduction

The Uniform Standards of Professional Appraisal Practice (USPAP) defines scope of work as "*the type and extent of research and analysis in an assignment*". Scope of work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is observed;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.

Assignment Elements

The purpose of this assignment (the problem to be solved) is to form one or more opinions about value. This purpose necessitates identification of seven assignment elements listed below.

1.	Client Information	
	Client's Name **	Mr. Nathan Murray
	Client's Company Name	Urban Renewal Agency of the City of Twin Falls
	Appraiser(s) Engaged By	The Client's Agent
	Client's Interest In Property Appraised	Ownership
2.	Other Intended Users	None
3.	Intended Use Of Report (*To aid*)	Decisions By Ownership
4.	Value Opinion(s) Developed	Market value
	Standard / Definition Of Value Used To Form The Value Opinion(s)	Advisory Opinion 30 of USPAP, which is the same definition as the one in FIRREA.

*** The client is always an intended user.*

Scope of Work

Assignment Elements

5. Key Dates

Effective Value Date *(point in time the value applies)*	September 28, 2020
Date Property Appraised Was Observed By One Or More Appraisers Signing This Report	Land & Building Observed September 28, 2020

6. Assignment Conditions

Extraordinary Assumptions	One Or More Apply, Detailed Later Herein
Hypothetical Conditions	None Used
Jurisdictional Exceptions	None Used
Expected Public or Private On-Site or Off-Site Improvements Affect Value	Not Expected
Assemblage of Estates or Component Parts Affects Value	Not Expected
Other	None Used

Scope of Work

Relevant Characteristics

The seventh assignment element is relevant characteristics about the property appraised. These characteristics are typically categorized as physical, legal, and economic.

Physical attributes of the property appraised are presented later in the Subject section of this report. Some characteristics are identified below. Atypical issues are listed in the Noteworthy Issues section and may be further detailed elsewhere herein.

Unless specifically stated otherwise, the estate appraised (listed below) assumes no adverse leases, liens or encumbrances other than normal covenants and restrictions of record.

7a. *Physical*

Existing Property Use	Commercial Land
Property Use Reflected In One Or More Value Opinions	Continued Use As Is
Sources of Information About the Property Appraised Included	Just An Exterior Observation; Online Public Records; Public Records In Government Office

7b. *Legal*

Category Of Property Appraised	Real Property
Estate(s) Appraised	Fee Simple
Legal Issues Considered	No Atypical Legal Issues
Environmental Concerns	No Known Environmental Concerns

7c. *Economic*

Effect Of Lease(s) On Value	Effect Of A Lease Not Considered In Appraisal
Cost Information	
Type of Reconstruction Cost Used	Reconstruction Cost Not Considered
Source of Reconstruction Cost Information	Not Applicable

Scope of Work

Extent of Services Provided

Number of Final Value Opinions Developed	Seventeen
Value Opinion(s) Reflect The Worth Of the Property Appraised	As Is
Extent Of Report Preparation	An Appraisal Report
Other Reporting Requirements	Not Applicable
Extent Of Data Research	Typical
Data Sources	Local MLS; Private Data Provider Service; Public Records At Government Office; Online Public Records; Other Appraisers; Real Estate Sales Agents; Buyers and / or Sellers; Landlords and / or Tenants
Documents Considered	County Records
Data Verification	Direct and Indirect Methods
Extent Of Subject Observation By One Or More Appraisers Signing Report	Moderate Exterior Only Specifics of this viewing, if any, are detailed in the Extraordinary Assumptions & Disclosures section of this report.

Other Intended Use Considerations

Client's Prior Engagement Of Appraisal Services	Unknown
Loan To Value Ratio	Not Applicable
Atypical Issues	No Atypical Issues
Assignment Complexity	Typical Complexity
FIRREA Compliance	Not Applicable
Insurable Value	Insurable Value Is Not An Intended Use

Miscellaneous Matters

Scope of Work Agreement	Agreement in Addenda

Scope of Work

Appraisal Development

Appraisal development is the extent of research and analyses that produce one or more credible opinions of value for one or more specifically identified intended users and an explicitly stated intended use. In this context, credible is defined as "worthy of belief".

Depending upon the intended use, intended users, and agreements between the appraiser and the client, the appraisal development process may include several, but not necessarily all of the following tasks.

- observation of the property appraised
- research for appropriate market data
- data verification
- consideration of influential market area, physical, economic, and governmental factors
- determination of the subject's highest and best use(s), if appropriate
- development of one or more applicable approaches to value
- reconciliation of value indications
- preparation of this report

In most cases, the core valuation process begins with a highest and best use analysis. This is essential because it establishes a framework for the proper selection of comparables. Cited comparables should have the same highest and best use as the property appraised.

Scope of Work

Appraisal Development

If some property modification like new construction is contemplated, a feasibility analysis may be appropriate. In some cases, feasibility may simply be justified by inferred market evidence like low vacancy or rising rents.

According to USPAP, all approaches that are applicable to the interest being appraised and necessary to produce credible results must be developed. The type of highest and best use; extent of feasibility considered; and the relevance of each major approach are listed below.

Highest and Best Use	An Inferred Demand Analysis
Feasibility Analysis *(a more detailed study separate from highest & best use)*	Separate Feasibility Analysis Not Developed
Cost Approach	Not Applicable And Not Included In Report
Sales Comparison	Applicable And Included In Report
Income Approach	Not Applicable And Not Included In Report

Quoting "*The Appraisal of Real Estate*" Thirteenth Edition published by the Appraisal Institute, page 186 says

> *"Highest and best use analysis and feasibility analysis are interrelated, but feasibility analysis may involve data and considerations that are not directly related to highest and best use determinations. Such analyses may be more detailed than highest and best use analysis, have a different focus, or require additional research."*

Applicable and necessary approaches were selected for development after consideration of available market data, intended use, and intended user(s). An approach considered not applicable was omitted because this methodology is not appropriate for the property interest being appraised, or sufficient data to properly develop the approach was not available. Any approach judged not applicable, yet included in this report, was developed solely at our client's request. Data used to develop an inapplicable but included approach has a low to nil degree of comparability to the subject. Hence, no emphasis was given an approach deemed not applicable but included. Furthermore, no liability or responsibility is assumed for an approach considered not applicable but included at the client's request.

Scope of Work

Concept Explanations

Intended use and all intended user(s) should be weighed heavily during the scope of work decision. A single intended user who frequently engages appraisal services is likely very knowledgeable about the appraisal process. For this type user, the appraisal development and reporting for less complex property types might be toward the lower end of the spectrum. By contrast, multiple intended users, especially those with opposing motivations, likely need extensive appraisal development and reporting. Litigation is a prime example when a thorough appraisal development and detailed reporting is warranted.

A loan to value ratio reflects risk. For commercial-grade loans, ratios over 75% are generally regarded as risky. If a contemplated loan is viewed as risky, then the extent of appraisal development and the level of report detail should be more comprehensive. Similarly, more complex properties generally warrant more thorough analyses and more extensive report details.

Prior engagement of appraisal services by a client implies a level of awareness about the appraisal process. A greater awareness may justify a less thorough level of report detail whereas the opposite is true for an individual who has never engaged an appraisal.

A Jurisdictional Exception is an assignment condition, which voids a portion of USPAP that is contrary to law or public policy. When a Jurisdictional Exception applies, only the contrary portion is void. The remainder of USPAP remains in full force and effect. Jurisdiction Exceptions always shrink USPAP, not expand it.

Data verification affects reliability. Direct data verification confirms information used in the report with one or more parties who have in-depth knowledge about physical characteristics for the property being appraised, or related financial details. Indirect verification employs information obtained from a secondary source like a data reporting service, a multiple listing service, or another appraiser. Direct verification is generally more time-consuming and costly, but also more reliable.

Information from all data sources was examined for accuracy, is believed reliable, and assumed reasonably accurate. However, no guaranties or warranties for the information are expressed or implied. No liability or responsibility is assumed by McKinlay & Klundt Appraisal Company or the appraiser(s) for any inaccuracy from any seemingly credible information source.

Scope of Work

Concept Explanations

A statement about observation of the subject property by the appraiser(s) is listed above. If the subject was observed, this viewing was not as thorough as a professional property inspection. A professional inspector determines the precise physical condition, remaining useful life, and operability of major building components like the structural system, roof cover, electrical system, plumbing, and heating plant. Inspectors typically do not ascertain size of the building, or characteristics of the land. By contrast, an appraiser commonly ascertains both land and building size. Ordinarily, appraisers do not determine operability, or remaining useful life of building systems. An appraiser typically views real estate to determine only general attributes like physical condition of the building as a whole, site topography and access, building size, construction quality, floor plan, and functionality of the property as a whole. For this appraisal, no probes, investigations, or studies were made to discover unapparent, adverse physical features.

Highest and best use analyses can be categorized into two groups - inferred and fundamental. A fundamental analysis is quantified from broad demographic and economic data such as population, household size, and income. Supply is inventoried. Subject specific characteristics are considered. Then, the relationship between supply and demand is weighed to determine a specific highest and best use for the subject. An inferred analysis uses local trends and patterns to infer a general highest and best use for the subject. For an inferred analysis, market dynamics that might be considered include prices, market exposure times, rents, vacancy, and listings of similar real estate. Inferred analyses emphasize historical data while fundamental analyses are based on future projections. The kind of highest and best use analysis utilized in this assignment is listed above.

Scope of Work Limitation

All readers of this report should be aware the foundation, for conclusions communicated herein, was based on and limited to an **inferred market analysis, not a fundamental market study**. Our scope of work agreement with our client does not include a detailed fundamental analysis.

A *fundamental analysis* forecasts demand from broad demographic and economic data like population and income. Existing supply is inventoried. Then the relationship of supply and demand is weighed to determine net demand. An *inferred analysis* is based on local trends and patterns from which inferences are made. Sales, listings, marketing intervals, and/or price change for other similar land infer there is adequate demand for the subject parcel at a price level congruous with this data.

If the client desires an in-depth analysis regarding the subject's marketability, potential alternate uses, or a numeric demand analysis, it is suggested a detailed fundamental market analysis be prepared.

Report Reliance & Use Restrictions

No liability is assumed, expressed, or implied by McKinlay & Klundt Appraisal Company, or the appraiser(s) for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are explicitly identified as an intended user on page 2 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

Scope of Work Exclusion - Insurable Value

The cost approach may or may not have been developed herein. Unless explicitly stated otherwise, the cost approach was developed solely to support the subject's market value. Use of this appraisal, in whole or part, for another purpose is not an expected intended use. Nothing in this appraisal should be used, or relied upon to determine the amount or type of insurance coverage to be placed on the subject property. The signatory / signatories to this report assume no liability for, and do not guarantee that any insurable value inferred from this report will result in the subject property being adequately insured for any loss that may be sustained. Since labor costs, material costs, building codes, construction intervals, and governmental regulations are constantly changing, the cost approach may not be a reliable indication of replacement or reproduction cost for any date other than this report's effective value date.

Extraordinary Assumptions & Disclosures

An extraordinary assumption is defined by the Uniform Standards of Professional Appraisal Practice (USPAP) to be "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinion or conclusions". Extraordinary assumptions presume as fact otherwise uncertain information. In other words, this type assumption involves uncertainty about an underlying premise. An example is a survey that displays a lot size. If the lot size is later found to be much smaller, then the value conclusion may be negatively affected.

USPAP Standard Rule 1-2(f) requires the identification of all extraordinary assumptions that are necessary for credible assignment results. This appraisal employs the following extraordinary assumptions.

- Features of the subject site such as legal description, dimensions, size, etc. were obtained from publicly available sources. All information taken therefrom is assumed reasonably correct.

- Some details of the subject improvements like size and shape were obtained from public records. Other features such as exterior materials were obtained from public observation and/or measurement. All are assumed reasonably correct.

- Observation of the subject property was limited to the entire site. Unseen spaces are assumed to have physical condition and construction quality similar to that in observed spaces. It is further assumed the subject has no hidden defects. The appraiser(s) did not attempt to study, dig, probe, investigate, detect, remove materials, or discover unfavorable physical features.

- Real estate tax information for the subject was obtained from a reputable online source, so it is assumed reasonably correct. Moreover, this information is assumed the most recent that is expeditiously available to the public.

- Assumptions and presumptions discussed in the Noteworthy Issues section of this report, if any, are incorporated by way of reference into these Extraordinary Assumptions & Disclosures.

- A recently issued title policy was not furnished to the appraiser(s). If a value-impairment is identified or suggested in a title policy, another professional report, or some other document, this appraisal does not address issues that are significantly atypical for a valuation of this type property unless specifically identified in the Scope of Work and/or Noteworthy Issues section of this report.

The above extraordinary assumptions as well as other assumptions anywhere herein are integral premises upon which the conclusions in this document are based. If any of these assumptions are later found to be materially untrue or inaccurate, then this report's assignment results may or may not be affected.

Hypothetical Conditions

USPAP defines a hypothetical condition as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis."

Hypothetical conditions assume conditions that are contrary to known fact. An illustration is the current valuation of a proposed home. For the purpose of a rational analysis, it is assumed the home exists on the effective value date, but it is known the home is nonexistent. Another example is a new zoning classification, that a property does not have today, but the new zoning is assumed for the purpose of a logical current valuation. Uncertainty is not involved with a hypothetical condition. An essential premise underlying the valuation is known not to exist on the effective value date.

USPAP Standard Rule 1-2(g) requires the identification of all hypothetical conditions that are necessary for a credible value opinion. This appraisal employs no hypothetical conditions.

Personal Property & Intangibles

Personal property is movable and ***not*** permanently affixed to the real estate. Examples of personal property are freestanding ranges, refrigerators, tables, desks, chairs, beds, linen, silverware, hand tools, and small utensils. An intangible is a nonphysical asset like franchises, trademarks, patents, goodwill, and mineral rights. Personal and intangible property included in this appraisal's value opinion, if any, is considered typical for this type real estate, yet insignificant to the value opinion. Therefore, non-realty is not itemized or valued herein. Moreover, this report's final value conclusion(s) ***excludes*** unaffixed equipment, detached trade fixtures, and chattel unless specifically stated to the contrary.

Definition of Market Value

The definition of *market value* is used in all federally regulated transactions that exceed a minimum amount. This definition is mandated by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. The exact same definition was published in the Federal Register several times by different federal agencies. Some printings are*: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; and 59 Federal Register 29499, June 7, 1994.)*

Federal agencies publishing the **exact same definition** include the

- Office of the Comptroller of the Currency (OCC) as 12 CFR 34, subpart C
- Federal Reserve Board (FRB) as 12 CFR 225, Subpart G
- Federal Deposit Insurance Corporation (FDIC) as 12 CFR 323.2, Definition (g) in 55 Federal Register, 33,888 August 20, 1990, Effective September 19, 1990.
- Office of Thrift Supervision (OTS) as 12 CFR 564
- National Credit Union Administration (NCUA) as 12 CFR 722

The **exact same definition** was again published jointly by the OCC, OTS, FRS, and FDIC on page 61 of the "*Interagency Appraisal and Evaluation Guidelines".* These guidelines were published in the Federal Register on December 10, 2010 as Volume 55, page 77472. All the above citations defined market value as:

> *"the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*
>
> - *buyer and seller are both typically motivated;*
> - *both parties are well informed or well advised, and acting in what they consider their own best interests;*
> - *a reasonable time is allowed for exposure in the open market;*
> - *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
> - *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

Virtually the same definition is also cited in Advisory Opinion 30 in the Uniform Standards of Professional Appraisal Practice (USPAP).

Definition of Real Property Estates

One or more of the following underlined legal estates or interests are valued in this report. Definitions of three estates, quoted immediately below, are from *The Dictionary of Real Estate Appraisal*, 6th Edition; published by the Appraisal Institute, copyright 2015.

- Fee Simple Estate *"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."*

- Leased Fee Estate "*The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."*

- Leasehold Estate *"The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."*

The words "Leased Fee Estate" constitute a real estate term. This term is not defined in Black's Law Dictionary, the Deluxe Eight Edition. However, leased fee estate is defined by USLegal.com as:

> *"an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of lease.*"

In effect, the definitions of "lease fee estate" by the Appraisal Institute and USLegal.com are equivalent.

Chicago Title Insurance Company, one of the largest in the country, does not use the term "Lease Fee Estate" in their title insurance policies. Chicago Title does insure the "Fee Simple Estate Subject to the Leases". **For all practical purposes, the terms "Leased Fee Estate" and "Fee Simple Estate Subject to the Leases" are equivalent.**

Market value of the leased fee estate represents the worth of real property to the landlord (the lessor) as encumbered by terms set forth in one or more leases. A leasehold estate is the tenant's (the lessee's) interest in real property.

A lease is an encumbrance because it limits or precludes the landlord's right of use. If a property is unencumbered, then usage of the term "fee simple estate" could be strictly or narrowly interpreted to mean the property is not encumbered by lease. If there are no leases for a multitenant facility, then the building has no lease income. Under this interpretation, the value of the fee simple (V_{FS}) would be less than the value of the leased fee (V_{LF}). Accordingly, the $V_{FS} < V_{LF}$ because lease-up costs must be paid by a buyer to find tenants.

In effect, total lease-up cost would constitute a penalty to the property's value imposed by a buyer. Components of a total lease-up cost include leasing commissions, rent loss, concessions, tenant improvements, any other cash expenditures, and buyer incentive to undertake the risk of lease-up.

Definition of Real Property Estates

According to the Appraisal Institute course *General Appraiser Income Approach, Part 2* - page 231, there are two interpretations of the term "fee simple estate". A second interpretation for fee simple estate is a value-oriented definition used by many real estate appraisers. For valuation purposes, market value of the fee simple is the worth of the property assuming it is already leased at market rent to a level of stabilized occupancy. Under this interpretation, the $V_{FS} \geq V_{LF}$ because lease-up costs to find tenants are already paid.

An extremely important concept in the valuation of leases is the relationship between market rent or income (I_{FS}) and contract rent, the rent stated in a lease (I_{LF}). If the contract rent is below market rent ($I_{LF} < I_{FS}$), the tenant enjoys an advantageous position called a positive leasehold interest. Then, the value of the leased fee is usually less than the value of the fee simple ($V_{LF} < V_{FS}$). If contract rent exceeds market rent ($I_{LF} > I_{FS}$), then the landlord has an advantage while the tenant has an unfavorable position called a negative leasehold interest. When contract rent equals market rent, then the numerical value of these two estates is equal but the rights of each estate are distinctly different.

In essence, the difference interpretations for the fee simple estate involve lease-up costs. If fee simple is interpreted to mean no leases encumber the property, then a buyer of a multitenant facility would incur lease-up costs. These cost would likely be substantial so a prospective buyer would penalize the property by the amount of the total lease-up cost, which is detailed above. If fee simple is interpreted to mean the value of real property already leased up to stabilized occupancy at market rent, then no lease-up is necessary so no lease-up penalty is appropriate.

For valuation purposes in this report, three estates are defined below.

- *Market value of the **fee simple estate** for a single-user property like a one-user building or vacant land represents the worth to the most probable buyer via the sales comparison approach. Income generation on a rental basis is not an important factor to this buyer. Property suitability for the buyer's own use or use control are the primary purchasing criteria. Lease-up costs are not relevant. In this context, fee simple means the property is not encumbered by lease.*

- *The **fee simple estate** for a <u>multiple-tenant</u> facility is different from the one immediately above. A different interpretation is appropriate for a building designed to generate real estate rental income like a shopping center or apartment building. This estate for this type property is defined as the worth to the most probable buyer assuming the property is <u>already</u> leased to a level of stabilized occupancy at normal market terms including market rent. Lease-up costs are assumed already paid so a lease-up penalty is not appropriate.*

- *An investment grade, leased, single-user building is best valued in a fashion that is similar to a multiple-tenant property. Hence, the interpretation for fee simple in the immediately preceding paragraph is best for an investment grade, leased, single-user building.*

- *Market value of the **leased fee estate** is defined as the worth of real property to its current owner as encumbered by terms specified in one or more leases.*

- *Lastly, a **leasehold estate** is defined as one tenant's interest in real property as defined by a lease.*

These definitions are crucial valuation concepts in this report.

Non-Disclosure State

Idaho is a non-disclosure state. This means essential information like grantor, grantee, sale prices and sale dates for real estate transactions are not listed in public records. Hence, appraisers must gather key details from parties involved who have no incentive to cooperate. Often appraisers are compelled to obtain the information from secondary sources. This lessens reliability of the data and lengthens the time required to complete a proper appraisal. McKinlay & Klundt Appraisal Company discloses it made reasonable attempts, within the context of the scope of work, to obtain all key information from seemingly reliable sources; but common sense suggests some data may not be completely accurate.

Assemblage

USPAP Standard Rule 1-4(e) requires an analysis of the assemblage of various estates or component parts that affect value. In this case, no assemblage is expected so value is not affected.

Contingent and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these Contingent and Limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all Contingent and Limiting conditions contained throughout this document.

2. The "Subject" or "Subject Property" refers to the real property that is the subject of this report. An Appraiser is defined as an individual person who is licensed to prepare real estate appraisal-related services in the State of Idaho and affixes his / her signature to this document.

3. Throughout these Contingent and Limiting Conditions, the singular term "Appraiser" also refers to the plural term "Appraisers”. The terms "Appraiser" and “Appraisers” also refer jointly / collectively to "McKinlay & Klundt Appraisal Company", its officers, employees, contractors, personnel, staff, shareholders, members, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her”.

4. In these Contingent and Limiting Conditions, the "Parties" refers to all of the following collectively: (a) the Appraiser(s), (b) McKinlay & Klundt Appraisal Company, (c) the client, and (d) all intended users.

5. These Contingent and Limiting Conditions are an integral part of this report along with all certifications, definitions, descriptions, facts, statements, assumptions, disclosures, hypotheses, analyses, and opinions.

6. All contents of this report are prepared solely for the explicitly identified client and other explicitly identified intended users. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report. In no event, shall the Appraisers be liable for consequential, special, incidental or punitive loss, damages or expense (including without limitation, lost profits, opportunity costs, etc.) even if advised of their possible existence. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all contingent and limiting conditions, assumptions, and disclosures. Use of this report by third parties shall be solely at the risk of the third party.

7. This document communicates the results of an appraisal assignment. This communication is not an inspection, engineering, construction, legal, or architectural report. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is not responsible for any costs incurred to discover, or correct any deficiency in the property.

Contingent and Limiting Conditions

8. As part of this appraisal, information was gathered and analyzed to form opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.

9. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.

10. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold McKinlay & Klundt Appraisal Company, its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands and agrees to all these conditions.

Contingent and Limiting Conditions

11. For appraisals of multiunit residential, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, construction quality, and interior finish of unseen units are like the functionality, physical condition, construction quality, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, quality, or finish, the Appraiser reserves the right to amend theses analysis and/or value opinion(s).

12. If the appraised property consists of a physical portion of a larger parcel is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject property. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel. The value opinion for the physical portion appraised + the value of all other complementary physical portions may or may not equal the value of the whole parcel.

13. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.

14. If this report involves an appraisal that values an interest, which is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised + the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.

15. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, then it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed completed in substantial conformance with plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to this report's preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.

Contingent and Limiting Conditions

16. This valuation may or may not include an observation of the appraised property by an Appraiser. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by an Appraiser is not a professional property inspection. Viewing of the subject was limited to components that were not concealed, clearly observable, and readily accessible without a ladder on the property observation date. As used herein, readily accessible means within the Appraiser's normal reach without the movement of any man made or natural object. Comments or descriptions about physical condition of the improvements are based solely on a superficial visual observation. These comments are intended to familiarize the reader with the property in a very general fashion.

17. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.

18. The Client and all intended users agree to all the following. (A) This appraisal does not serve as a warranty on the physical condition or operability of the property appraised. (B) All users of this report should take all necessary precautions before making any significant financial commitments to or for the subject. (C) Any estimate for repair or alternations is a non-warranted opinion of the Appraiser.

19. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other property systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. This document is not an inspection, engineering or architectural report. If the client has any concern regarding structural, mechanical, or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire an expert in the appropriate discipline before relying upon this report. No warranties or guarantees of any kind are expressed or implied regarding the current or future physical condition or operability of any property component.

20. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.

21. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.

Contingent and Limiting Conditions

22. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.

23. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) It is assumed ownership of the property appraised is lawful. (D) It is also assumed the subject property is operated under competent and prudent management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.

24. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.

25. This appraisal was prepared by McKinlay & Klundt Appraisal Company and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4).

26. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.

Contingent and Limiting Conditions

27. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.

28. McKinlay & Klundt Appraisal Company and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate or the Appraiser is not responsible for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.

29. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may differ from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence

30. No warrantees are made by the Appraiser concerning the property's conformance with any applicable government code or property covenant including but not limited to all laws, ordinances, regulations, agreements, declarations, easements, condominium regulations, restrictions, either recorded or unrecorded. The client is urged to engage the services of a licensed attorney to confirm any legal issue affecting the property appraised. No liability or responsibility is assumed by the Appraiser to determine the cost of replacing or curing any supposedly defective physical component.

31. In the event of an alleged claim due to some defective physical component, the client must notify McKinlay & Klundt Appraisal Company and allow its representatives and experts to examine and test the alleged defective component before any repairs or modifications are made. If any type of repair or modification is made without the knowledge of the Appraisers, the Appraiser is released from all liability, real or alleged.

Contingent and Limiting Conditions

32. The client and all explicitly identified intended users agree to notify in writing McKinlay & Klundt Appraisal Company, within one year of this report's preparation date, of any claim relating to or arising from this report regardless of any statute of limitations. If McKinlay & Klundt Appraisal Company does not receive this written notification within the year period defined in the paragraph, then the claimant releases the Appraiser from all claims arising from or related to this report.

33. The client and all explicitly identified intended users acknowledge that any claim relating to this report shall be settled in accordance with the commercial arbitration rules of the American Arbitration Association with the Parties each paying an equal share of all associated costs.

34. Any alleged claim must be filed in the Circuit Court for the County that encompasses most of or all of Twin Falls, Idaho 83303 where the Appraiser's business office is located. If a court of law voids any portion of these Contingent and Limiting Conditions, then the remainder remains in full force and effect. The claimants(s) agree not to contest the venue set forth herein and to submit to, and not contest, the exercise of personal jurisdiction over them by the foregoing court. The claimant(s) waive all rights concerning the exercise of personal jurisdiction of them by the foregoing courts and all claims of or concerning forum non-conveniences in the foregoing forum.

35. Superseding all comments to the contrary regardless of the date, this report may not be transferred or assigned without the prior written consent of McKinlay & Klundt Appraisal Company, the copyright holder.

36. No part of this report shall be published or disseminated to the public by advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of McKinlay & Klundt Appraisal Company. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without prior written permission from McKinlay & Klundt Appraisal Company, the copyright holder.

♦ Disclosures • • •

Professional Standards

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised biennially to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the report date. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law. The report date is shown in the Salient Information.

Competency

The persons signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

Area Data • • •

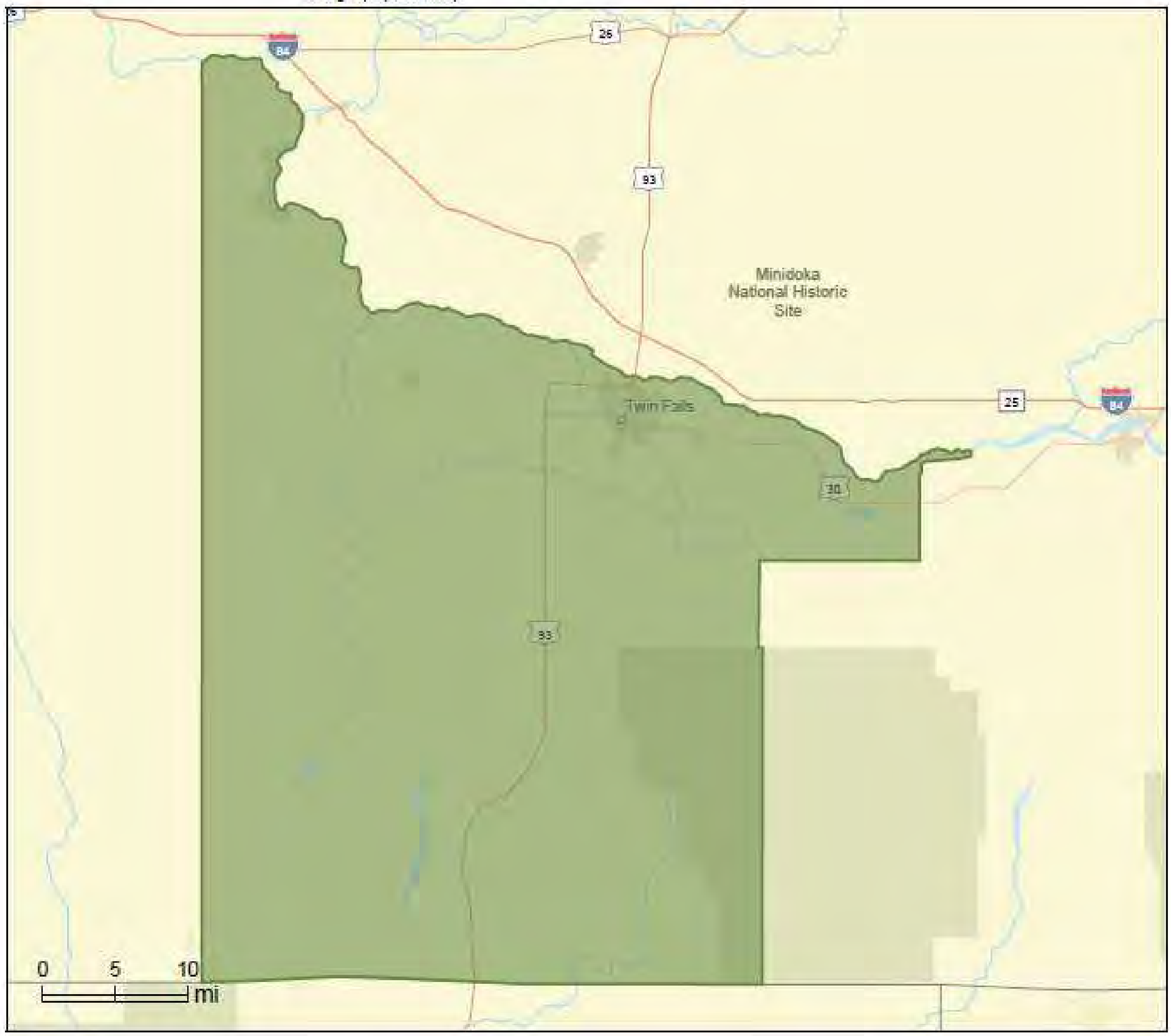
Regional Map

Regional Data

Site Map

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri



November 24, 2020

Page 1 of 1

Executive Summary

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri

	Twin Falls Co...
Population	
2000 Population	64,284
2010 Population	77,230
2020 Population	88,340
2025 Population	95,024
2000-2010 Annual Rate	1.85%
2010-2020 Annual Rate	1.32%
2020-2025 Annual Rate	1.47%
2020 Male Population	49.4%
2020 Female Population	50.6%
2020 Median Age	35.4

In the identified area, the current year population is 88,340. In 2010, the Census count in the area was 77,230. The rate of change since 2010 was 1.32% annually. The five-year projection for the population in the area is 95,024 representing a change of 1.47% annually from 2020 to 2025. Currently, the population is 49.4% male and 50.6% female.

Median Age

The median age in this area is 35.4, compared to U.S. median age of 38.5.

Households	
2020 Wealth Index	70
2000 Households	23,853
2010 Households	28,760
2020 Total Households	32,807
2025 Total Households	35,253
2000-2010 Annual Rate	1.89%
2010-2020 Annual Rate	1.29%
2020-2025 Annual Rate	1.45%
2020 Average Household Size	2.66

The household count in this area has changed from 28,760 in 2010 to 32,807 in the current year, a change of 1.29% annually. The five-year projection of households is 35,253, a change of 1.45% annually from the current year total. Average household size is currently 2.66, compared to 2.65 in the year 2010. The number of families in the current year is 22,320 in the specified area.

Data Note: Income is expressed in current dollars. Housing Affordability Index and Percent of Income for Mortgage calculations are only available for areas with 50 or more owner-occupied housing units.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025. Esri converted Census 2000 data into 2010 geography.

November 24, 2020

Executive Summary

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri

	Twin Falls Co...
Mortgage Income	
2020 Percent of Income for Mortgage	16.5%
Median Household Income	
2020 Median Household Income	$52,925
2025 Median Household Income	$55,227
2020-2025 Annual Rate	0.86%
Average Household Income	
2020 Average Household Income	$68,841
2025 Average Household Income	$75,619
2020-2025 Annual Rate	1.90%
Per Capita Income	
2020 Per Capita Income	$25,584
2025 Per Capita Income	$28,071
2020-2025 Annual Rate	1.87%

Households by Income

Current median household income is $52,925 in the area, compared to $62,203 for all U.S. households. Median household income is projected to be $55,227 in five years, compared to $67,325 for all U.S. households

Current average household income is $68,841 in this area, compared to $90,054 for all U.S. households. Average household income is projected to be $75,619 in five years, compared to $99,510 for all U.S. households

Current per capita income is $25,584 in the area, compared to the U.S. per capita income of $34,136. The per capita income is projected to be $28,071 in five years, compared to $37,691 for all U.S. households

Housing	
2020 Housing Affordability Index	143
2000 Total Housing Units	25,595
2000 Owner Occupied Housing Units	16,303
2000 Renter Occupied Housing Units	7,550
2000 Vacant Housing Units	1,742
2010 Total Housing Units	31,072
2010 Owner Occupied Housing Units	19,123
2010 Renter Occupied Housing Units	9,637
2010 Vacant Housing Units	2,312
2020 Total Housing Units	35,205
2020 Owner Occupied Housing Units	22,623
2020 Renter Occupied Housing Units	10,184
2020 Vacant Housing Units	2,398
2025 Total Housing Units	37,634
2025 Owner Occupied Housing Units	24,299
2025 Renter Occupied Housing Units	10,954
2025 Vacant Housing Units	2,381

Currently, 64.3% of the 35,205 housing units in the area are owner occupied; 28.9%, renter occupied; and 6.8% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 31,072 housing units in the area - 61.5% owner occupied, 31.0% renter occupied, and 7.4% vacant. The annual rate of change in housing units since 2010 is 5.71%. Median home value in the area is $208,394, compared to a median home value of $235,127 for the U.S. In five years, median value is projected to change by 3.19% annually to $243,871.

Data Note: Income is expressed in current dollars. Housing Affordability Index and Percent of Income for Mortgage calculations are only available for areas with 50 or more owner-occupied housing units.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025. Esri converted Census 2000 data into 2010 geography.

November 24, 2020

KEY FACTS

88,340

Population

35.4

Median Age

2.7

Average Household Size

$52,925

Median Household Income

EDUCATION

11%

No High School Diploma

28%

High School Graduate

39%

Some College

22%

Bachelor's/Grad/Prof Degree

BUSINESS

3,566

Total Businesses

38,670

Total Employees

EMPLOYMENT

57%

White Collar

31%

Blue Collar

12%

Services

12.0%

Unemployment Rate

INCOME

$52,925

Median Household Income

$25,584

Per Capita Income

$82,492

Median Net Worth

Households By Income

The largest group: $50,000 - $74,999 (23.2%)

The smallest group: $200,000+ (3.1%)

Indicator ▲	Value	Difference
<$15,000	11.5%	+1.9%
$15,000 - $24,999	9.0%	-0.7%
$25,000 - $34,999	9.4%	-0.2%
$35,000 - $49,999	16.0%	+1.2%
$50,000 - $74,999	23.2%	+2.1%
$75,000 - $99,999	11.6%	-1.0%
$100,000 - $149,999	12.6%	-0.9%
$150,000 - $199,999	3.6%	-1.3%
$200,000+	3.1%	-1.1%

Bars show deviation from Idaho

This infographic contains data provided by Esri, Esri and Infogroup. The vintage of the data is 2020, 2025.

esri

Market Profile

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri

	Twin Falls Co...
Population Summary	
2000 Total Population	64,284
2010 Total Population	77,230
2020 Total Population	88,340
2020 Group Quarters	963
2025 Total Population	95,024
2020-2025 Annual Rate	1.47%
2020 Total Daytime Population	88,841
Workers	40,376
Residents	48,465
Household Summary	
2000 Households	23,853
2000 Average Household Size	2.64
2010 Households	28,760
2010 Average Household Size	2.65
2020 Households	32,807
2020 Average Household Size	2.66
2025 Households	35,253
2025 Average Household Size	2.67
2020-2025 Annual Rate	1.45%
2010 Families	19,954
2010 Average Family Size	3.16
2020 Families	22,320
2020 Average Family Size	3.20
2025 Families	23,844
2025 Average Family Size	3.21
2020-2025 Annual Rate	1.33%
Housing Unit Summary	
2000 Housing Units	25,595
Owner Occupied Housing Units	63.7%
Renter Occupied Housing Units	29.5%
Vacant Housing Units	6.8%
2010 Housing Units	31,072
Owner Occupied Housing Units	61.5%
Renter Occupied Housing Units	31.0%
Vacant Housing Units	7.4%
2020 Housing Units	35,205
Owner Occupied Housing Units	64.3%
Renter Occupied Housing Units	28.9%
Vacant Housing Units	6.8%
2025 Housing Units	37,634
Owner Occupied Housing Units	64.6%
Renter Occupied Housing Units	29.1%
Vacant Housing Units	6.3%
Median Household Income	
2020	$52,925
2025	$55,227
Median Home Value	
2020	$208,394
2025	$243,871
Per Capita Income	
2020	$25,584
2025	$28,071
Median Age	
2010	34.4
2020	35.4
2025	35.8

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

November 24, 2020

Market Profile

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri

	Twin Falls Co...
2020 Households by Income	
Household Income Base	32,807
<$15,000	11.5%
$15,000 - $24,999	9.0%
$25,000 - $34,999	9.4%
$35,000 - $49,999	16.0%
$50,000 - $74,999	23.2%
$75,000 - $99,999	11.6%
$100,000 - $149,999	12.6%
$150,000 - $199,999	3.6%
$200,000+	3.1%
Average Household Income	$68,841
2025 Households by Income	
Household Income Base	35,253
<$15,000	10.5%
$15,000 - $24,999	8.6%
$25,000 - $34,999	8.4%
$35,000 - $49,999	15.6%
$50,000 - $74,999	23.2%
$75,000 - $99,999	11.8%
$100,000 - $149,999	14.0%
$150,000 - $199,999	4.3%
$200,000+	3.6%
Average Household Income	$75,619
2020 Owner Occupied Housing Units by Value	
Total	22,623
<$50,000	5.5%
$50,000 - $99,999	8.4%
$100,000 - $149,999	13.6%
$150,000 - $199,999	20.3%
$200,000 - $249,999	13.3%
$250,000 - $299,999	13.1%
$300,000 - $399,999	14.6%
$400,000 - $499,999	6.6%
$500,000 - $749,999	3.4%
$750,000 - $999,999	0.6%
$1,000,000 - $1,499,999	0.5%
$1,500,000 - $1,999,999	0.0%
$2,000,000 +	0.1%
Average Home Value	$241,670
2025 Owner Occupied Housing Units by Value	
Total	24,299
<$50,000	4.2%
$50,000 - $99,999	5.8%
$100,000 - $149,999	9.8%
$150,000 - $199,999	17.7%
$200,000 - $249,999	14.2%
$250,000 - $299,999	15.7%
$300,000 - $399,999	18.4%
$400,000 - $499,999	8.4%
$500,000 - $749,999	4.3%
$750,000 - $999,999	0.7%
$1,000,000 - $1,499,999	0.6%
$1,500,000 - $1,999,999	0.0%
$2,000,000 +	0.1%
Average Home Value	$269,175

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

November 24, 2020

Market Profile

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri

	Twin Falls Co...
2010 Population by Age	
Total	77,230
0 - 4	8.2%
5 - 9	7.7%
10 - 14	7.2%
15 - 24	14.1%
25 - 34	13.5%
35 - 44	11.3%
45 - 54	13.0%
55 - 64	11.1%
65 - 74	7.3%
75 - 84	4.5%
85 +	2.1%
18 +	72.6%
2020 Population by Age	
Total	88,340
0 - 4	7.8%
5 - 9	7.6%
10 - 14	7.2%
15 - 24	12.5%
25 - 34	14.4%
35 - 44	12.3%
45 - 54	10.5%
55 - 64	11.8%
65 - 74	9.1%
75 - 84	4.8%
85 +	2.0%
18 +	73.6%
2025 Population by Age	
Total	95,024
0 - 4	7.8%
5 - 9	7.6%
10 - 14	7.6%
15 - 24	12.6%
25 - 34	13.4%
35 - 44	13.0%
45 - 54	10.6%
55 - 64	10.3%
65 - 74	9.6%
75 - 84	5.6%
85 +	2.0%
18 +	73.1%
2010 Population by Sex	
Males	38,115
Females	39,115
2020 Population by Sex	
Males	43,680
Females	44,660
2025 Population by Sex	
Males	47,012
Females	48,012

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

November 24, 2020

	Twin Falls Co...
2010 Population by Relationship and Household Type	
Total	77,230
In Households	98.6%
In Family Households	83.9%
Householder	25.8%
Spouse	20.2%
Child	32.6%
Other relative	3.0%
Nonrelative	2.4%
In Nonfamily Households	14.7%
In Group Quarters	1.4%
Institutionalized Population	1.0%
Noninstitutionalized Population	0.4%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

November 24, 2020

Market Profile

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri

	Twin Falls Co...
2020 Population 25+ by Educational Attainment	
Total	57,363
Less than 9th Grade	4.9%
9th - 12th Grade, No Diploma	6.5%
High School Graduate	22.3%
GED/Alternative Credential	5.8%
Some College, No Degree	25.6%
Associate Degree	13.3%
Bachelor's Degree	13.7%
Graduate/Professional Degree	7.9%
2020 Population 15+ by Marital Status	
Total	68,366
Never Married	25.2%
Married	57.2%
Widowed	5.5%
Divorced	12.2%
2020 Civilian Population 16+ in Labor Force	
Civilian Population 16+	45,397
Population 16+ Employed	88.0%
Population 16+ Unemployment rate	12.0%
Population 16-24 Employed	13.6%
Population 16-24 Unemployment rate	20.8%
Population 25-54 Employed	62.6%
Population 25-54 Unemployment rate	10.8%
Population 55-64 Employed	17.8%
Population 55-64 Unemployment rate	9.1%
Population 65+ Employed	5.9%
Population 65+ Unemployment rate	11.4%
2020 Employed Population 16+ by Industry	
Total	39,935
Agriculture/Mining	7.1%
Construction	7.0%
Manufacturing	11.8%
Wholesale Trade	3.4%
Retail Trade	13.4%
Transportation/Utilities	5.2%
Information	1.4%
Finance/Insurance/Real Estate	3.9%
Services	42.9%
Public Administration	4.0%
2020 Employed Population 16+ by Occupation	
Total	39,935
White Collar	53.6%
Management/Business/Financial	12.6%
Professional	18.2%
Sales	10.6%
Administrative Support	12.1%
Services	15.5%
Blue Collar	31.0%
Farming/Forestry/Fishing	4.7%
Construction/Extraction	4.9%
Installation/Maintenance/Repair	6.2%
Production	7.0%
Transportation/Material Moving	8.1%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

November 24, 2020

Market Profile

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri

	Twin Falls Co...
2010 Households by Type	
Total	28,760
Households with 1 Person	24.3%
Households with 2+ People	75.7%
Family Households	69.4%
Husband-wife Families	54.1%
With Related Children	24.5%
Other Family (No Spouse Present)	15.3%
Other Family with Male Householder	4.8%
With Related Children	3.1%
Other Family with Female Householder	10.5%
With Related Children	7.2%
Nonfamily Households	6.3%
All Households with Children	35.4%
Multigenerational Households	3.2%
Unmarried Partner Households	6.5%
Male-female	6.0%
Same-sex	0.5%
2010 Households by Size	
Total	28,760
1 Person Household	24.3%
2 Person Household	34.8%
3 Person Household	15.0%
4 Person Household	12.8%
5 Person Household	7.2%
6 Person Household	3.6%
7 + Person Household	2.1%
2010 Households by Tenure and Mortgage Status	
Total	28,760
Owner Occupied	66.5%
Owned with a Mortgage/Loan	46.0%
Owned Free and Clear	20.5%
Renter Occupied	33.5%
2020 Affordability, Mortgage and Wealth	
Housing Affordability Index	143
Percent of Income for Mortgage	16.5%
Wealth Index	70
2010 Housing Units By Urban/ Rural Status	
Total Housing Units	31,072
Housing Units Inside Urbanized Area	0.0%
Housing Units Inside Urbanized Cluster	72.8%
Rural Housing Units	27.2%
2010 Population By Urban/ Rural Status	
Total Population	77,230
Population Inside Urbanized Area	0.0%
Population Inside Urbanized Cluster	72.0%
Rural Population	28.0%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

November 24, 2020

Market Profile

Twin Falls County, ID 2
Twin Falls County, ID (16083)
Geography: County

Prepared by Esri

	Twin Falls Co...
Top 3 Tapestry Segments	
1.	Middleburg (4C)
2.	Set to Impress (11D)
3.	Green Acres (6A)
2020 Consumer Spending	
Apparel & Services: Total $	$54,161,985
Average Spent	$1,650.93
Spending Potential Index	77
Education: Total $	$41,097,859
Average Spent	$1,252.72
Spending Potential Index	70
Entertainment/Recreation: Total $	$84,631,602
Average Spent	$2,579.68
Spending Potential Index	79
Food at Home: Total $	$138,105,062
Average Spent	$4,209.62
Spending Potential Index	79
Food Away from Home: Total $	$95,323,495
Average Spent	$2,905.58
Spending Potential Index	77
Health Care: Total $	$153,644,785
Average Spent	$4,683.29
Spending Potential Index	81
HH Furnishings & Equipment: Total $	$56,235,252
Average Spent	$1,714.12
Spending Potential Index	78
Personal Care Products & Services: Total $	$23,571,724
Average Spent	$718.50
Spending Potential Index	78
Shelter: Total $	$474,317,246
Average Spent	$14,457.81
Spending Potential Index	75
Support Payments/Cash Contributions/Gifts in Kind: Total $	$62,447,324
Average Spent	$1,903.48
Spending Potential Index	81
Travel: Total $	$59,590,179
Average Spent	$1,816.39
Spending Potential Index	75
Vehicle Maintenance & Repairs: Total $	$31,097,226
Average Spent	$947.88
Spending Potential Index	82

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.
Source: Consumer Spending data are derived from the 2017 and 2018 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

November 24, 2020

South Central Idaho

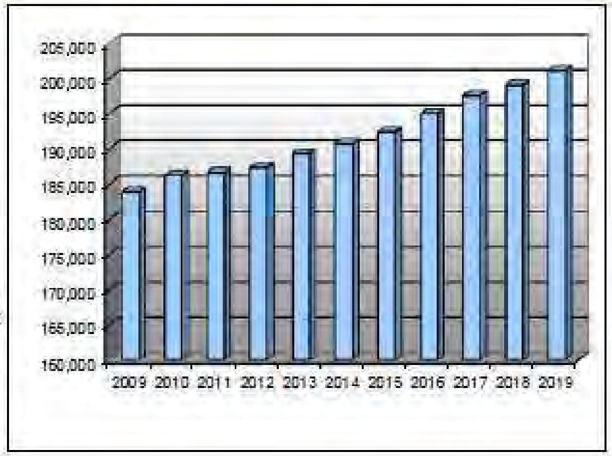
IDAHO DEPT. OF LABOR

September 2020

Workforce Trends

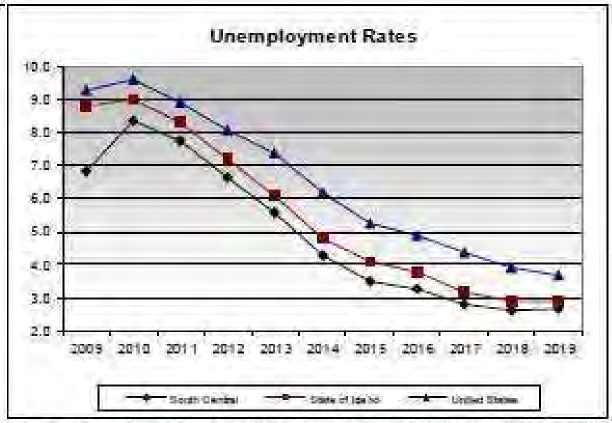
Population

South central Idaho has grown steadily from 183,814 in the eight-county area in 2009 to 201,031 in 2019, an uptick of 9.4 percent or 17,217 residents. The highest growth counties were Twin Falls and Jerome at almost 14% and 11%, respectively. Twin Falls County continues its sixth ranking size-wise among Idaho's 44 counties. Growth is attributed to both in-migration of workers and retirees but supported also by natural increases from births outweighing deaths. Counties located on Interstate 84 have fared better economically in south central Idaho. The Hispanic population estimate is about 49,000—24 percent of the south central population or one in four residents compared to the state at one in ten. Many workers were initially attracted by seasonal farm jobs and since have permanently settled in the region that offers year-round dairy work or service-related jobs with reasonably-priced education for the next generation. The outlook for annual growth is steady. Twin Falls is the eighth largest city at 51,197 in 2019, growing 1% since 2018 and blowing past the 50,000 mark for the first time. Twin Falls and Jerome counties were delineated a Metropolitan Statistical Area after release of the 2010 Census results.



Labor Force & Employment

Employment opportunities slowed in 2009 when the Great Recession impacted south central Idaho. Before then, manufacturing was on the rise with the relocation of national durable manufacturers primarily to the four largest counties with multiple I-84 access—Twin Falls, Jerome, Cassia and Minidoka. The high-volume dairy production kept milk processors and cheese companies in growth mode, attempting to utilize milk capacity. Blaine County was hit the hardest in that monumental downturn, battered by the loss of consumer interest in tourism and second homes. The construction industry is still rebuilding after losing workers and tradesman to retirement and other industries such as health care. Minidoka and Cassia Counties fared the recession by steadily attracting new industry and workforce. Twin Falls' investment in commercial construction continues even after the completion of a $250 million hospital, the College of Southern Idaho's new LEED-certified Health Science building and an Applied Technology building, a $450 million Greek yogurt plant, and a new bypass, along with a handful of new hotels. Repurposing Twin Falls and Rupert's downtowns is paying off. Those national retailers announcing closures are seamlessly backfilled. Coveted national franchise restaurants are whetting diners' appetites —Olive Garden opened its doors early in 2019. Clif Bar's first commercial bakery started production June 2016 in Twin Falls after the region gained notoriety with Chobani's 'world's largest Greek yogurt plant'. The College of Southern Idaho, always a leader in the state for accessing post-secondary education and training continues to work closely with Southern Idaho Economic Development. It offers curricula custom-designed for employers, a popular dual-credit program and two-year degrees at one-third the cost of credits at four-year universities. CSI is offering its first bachelor degree program in Food Processing and is partnering with the University of Idaho's Center for Agriculture, Food and the Environment—CAFE opening in 2023/2024.



Labor Force	Aug 19	Aug 20
Civilian Labor Force	101,338	103,789
Total Employment	98,631	99,919
Unemployed	2,707	3,870
South Central % Unemployed	2.7	3.7
State of Idaho % Unemployed	2.9	4.2
U.S. % Unemployed	3.7	8.4

Labor Force	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Civilian Labor Force	94,623	93,249	93,486	93,236	93,276	93,997	95,625	96,686	98,086	99,278	101,187
Unemployment	6,486	7,808	7,246	6,182	5,213	4,042	3,365	3,162	2,756	2,584	2,715
% of Labor Force Unemployed	6.9	8.4	7.8	6.6	5.6	4.3	3.5	3.3	2.8	2.6	2.7
Employment	88,137	85,441	86,240	87,054	88,063	89,955	92,260	93,524	95,330	96,694	98,472

Prepared Jan Roeser, Regional Economist, Idaho Department of Labor • 420 Falls Ave., Twin Falls, Idaho 83301
Phone: (208) 735-2500 ext. 3639 • email: jan.roeser@labor.idaho.gov • Labor Market Information website: lmi.idaho.gov

Nonfarm Payroll Jobs for 2019

Major Employers	
Amalgamated Sugar	Hilex Poly aka Novolex
Bettencourt Dairies	Jerome Cheese aka Agropur
Cassia Regional Medical Center	McCain Foods
C3 CustomerContactChannels	Minidoka Regional Medical Center
Chobani Greek Yogurt	Personnel Plus
Clear Springs Foods	Power Engineers
College of Southern Idaho	Spears Manufacturing, Inc.
lamb Weston	St. Luke's Regional Medical Center
Glanbia Foods NA	Sun Valley Company
Independent Meat	Wal-Mart

Covered Employment & Wages

Per capita income is 12% higher than the state and 10% lower than the nation—up over 50% since 2009 outpacing the state and nation. The region's growth was 4.2% over the year—less than the state and nation. Per capita income in south central Idaho advanced in all counties except for Gooding with its stronghold of dairies and accompanying financial woes. South central Idaho covered wages ranked fifth lowest of the six regions statewide driven by strong service and agricultural sectors with part-time and/or seasonal jobs. Growth in covered wages and average employment since 2009 underperformed the state. The region has the highest percentage of goods producing jobs to service jobs. Many believe the region carries less risk than others that rely heavily on the military, large corporations or government, which all must regularly renew funding or contracts. Covered employment reached a record average high in 2019 topping 91,000. The region is currently adjusting to its new norm after significant job creation yet persistent demand for workforce continues. New schools and homes are popping up with only the smallest counties not capitalizing on the latest economic expansion, including Camas, Gooding and Lincoln counties. The COVID-19 crisis has uprooted growth.

South Central Occupational Wages*	Entry Wage	Median Wage
Bookkeeping, Accounting, & Auditing Clerks	$10.60	$19.29
Cashiers	$8.96	$10.99
Childcare Workers	$8.34	$10.80
Customer Service Representatives	$10.91	$15.84
Dental Assistant	$12.60	$15.34
Janitors & Cleaners	$9.90	$13.50
Laborer & Material Handler	$11.02	$15.61
Office Clerks, General	$10.21	$15.66
Team Assemblers	$10.77	$14.78
Registered Nurses	$23.14	$31.54
Retail Salespersons	$9.78	$15.32
Teachers, Elementary	$33,645	$52,710
Teachers, Secondary	$36,831	$48,703
Truck Drivers, Heavy & Tractor-Trailer	$10.65	$16.50

* Additional occupational wage data can be found on the Idaho Department of Labor website at lmi.idaho.gov.

Covered Employment & Average Annual Wages Per Job for 2009, 2018 & 2019	2009 Avg Employment	2009 Avg Wages	2018 Avg Employment	2018 Avg Wages	2019 Avg Employment	2019 Avg Wages
Total Covered Wages	78,668	$29,901	89,904	$37,466	91,331	$38,452
Agriculture	9,219	$27,653	10,667	$37,147	10,756	$38,441
Mining	165	$31,893	172	$40,682	166	$40,291
Construction	4,410	$33,275	5,006	$42,259	5,245	$43,171
Manufacturing	7,853	$37,633	10,145	$49,038	10,382	$50,488
Trade, Utilities & Transportation	16,549	$29,164	18,070	$38,311	18,210	$39,255
Information	1,221	$34,359	915	$45,245	895	$46,395
Financial Activities	2,807	$38,670	2,767	$48,427	2,797	$51,909
Professional and Business Services	6,705	$32,537	7,832	$38,202	7,800	$38,418
Educational and Health Services	8,416	$31,710	10,163	$38,402	10,496	$39,956
Leisure and Hospitality	7,458	$14,948	9,392	$18,250	9,638	$18,602
Other Services	2,058	$25,300	2,469	$34,278	2,472	$34,234
Government	11,807	$31,172	12,309	$35,986	12,273	$36,893

Per Capita Income	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
South Central Region	$32,508	$34,100	$37,036	$39,626	$41,375	$44,154	$45,731	$45,926	$47,262	$49,263
State of Idaho	$31,186	$31,957	$33,515	$35,188	$36,200	$37,896	$39,857	$40,670	$42,094	$43,901
United States	$39,284	$40,546	$42,735	$44,599	$44,851	$47,058	$48,978	$49,870	$51,885	$54,446

Information provided by Bureau of Economic Analysis

IDAHO DEPARTMENT OF LABOR
Brad Little, Governor
Jani Revier, Director

This region is served by the office listed below:
Idaho Department of Labor
420 Falls Ave.
Twin Falls, ID 83301-5129 Ph: (208) 735-2500

labor.idaho.gov

Twin Falls County

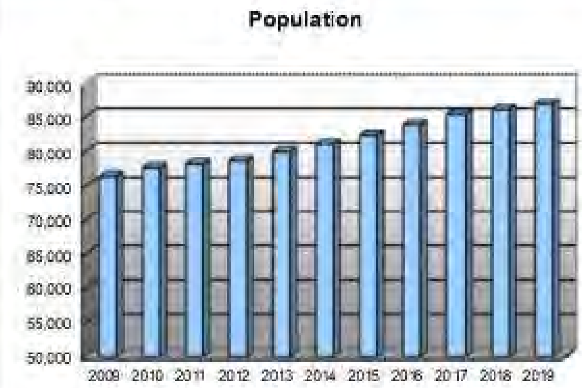
September 2020

Workforce Trends

IDAHO DEPT. OF LABOR

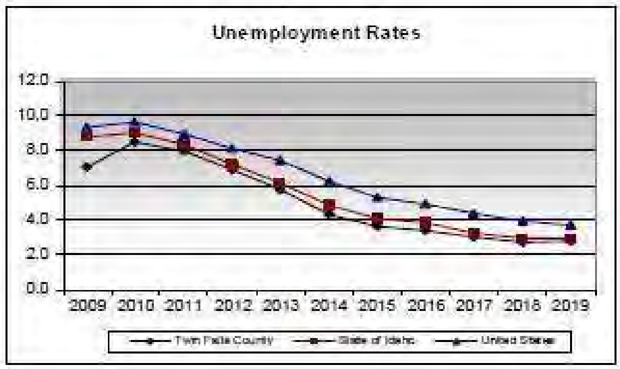
Population

The population of Twin Falls County has grown steadily from 76,271 in 2009 to 86,878 in 2019, a 14% increase. The population grew at a sustainable pace of 1% from 2018, continuing to be ranked sixth most populous county in the state. It is a thriving retail hub for south central Idaho and northern Nevada, drawing on a consumer base of over 250,000. It is also the only county regionally considered urban, based on city size greater than 20,000. The city of Twin Falls is the county seat with a 2019 population estimate of 50,197—first time cresting 50,000. Abundant natural resources, recreational opportunities and cultural events attract travelers and residents. It lies on the edge of the spectacular Snake River Canyon spanned by the Perrine Bridge, one of the nation's few legal take-offs for BASE jumpers. A path winds along the canyon rim adjacent to a new visitor's center, retail shops, restaurants and a clubby event center, all with a bird's eye view of golf courses. World-renown Shoshone Falls is just two miles up the canyon. A strong job market, wildly successful downtown redevelopment and job creation support continued growth. COVID-19 struck hard and fast.



Labor Force & Employment

Although the economy remains heavily tied to agriculture, the county has diversified. Community partnerships landed Dell customer service jobs in 2002 replaced by C3 Customer Contact Channels in 2010. Manufacturing jobs with Jayco RV have attracted feeder companies along with an expansion creating 300 new jobs. Chobani Greek Yogurt's investment of $750 million in plant and equipment has brought over 1,000 jobs to the valley. The investment brought relief to stressed dairies suffering from extended periods of low milk prices and higher feed costs but there is still excess milk for processing. Single family housing permits peaked at over 650 in 2005 but averaged around 225 the last three years. Unemployment fell to a then low of 2.8% in 2007 peaking at 8.5% in 2010. The 2019 unemployment rate of 2.8% is up slightly from a record low of in 2018, with less seasonality than previous decades. Twin Falls County is losing its tradition of lower-than-the-state unemployment rates with the state gaining growth recognition in many economic indicators. The civilian labor force increased 1.8 percent from 2018, just over 700 workers. Over the last decade, Twin Falls County posted strong gains in retail, restaurant and hospitality jobs as big box and national retailers converged on the northern entrance to the city and its main artery. A Walmart super center opened in 2009 near the new regional hospital. The hospital spiked surrounding growth with housing developments, six new hotels, a new high school, a new middle school and two new elementary schools. The Magic Valley Mall and its rim properties have experienced a surge over the last three years. The College of Southern Idaho's investment in three new buildings and continual improvement to existing property and campus continues. A new Visitor's Center has been a resounding success near the Perrine Bridge. The employment outlook for Twin Falls County is strong with Clif Bar raising the bar for perks while the city has been investing significantly in a downtown with something for everyone.



Labor Force	Aug 19	Aug 20
Civilian Labor Force	41,492	42,228
Total Employment	40,353	40,584
Unemployed	1,139	1,644
% of Labor Force Unemployed	2.7	3.9
State of Idaho % Unemployed	2.9	4.2
U.S. % Unemployed	3.7	8.4

Labor Force	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Civilian Labor Force	39,024	36,865	37,138	37,673	38,044	38,509	39,033	39,633	40,114	40,660	41,393
Unemployment	2,732	3,147	2,947	2,609	2,181	1,639	1,415	1,349	1,216	1,118	1,159
% of Labor Force Unemployed	7.0	8.5	7.9	6.9	5.7	4.3	3.6	3.4	3.0	2.7	2.8
Employment	36,292	33,718	34,191	35,064	35,863	36,870	37,618	38,284	38,898	39,542	40,234

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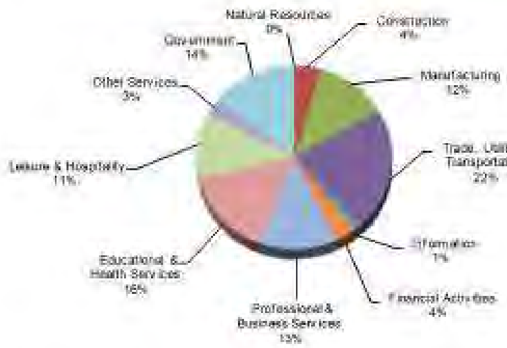
Nonfarm Payroll Jobs for 2019



Major Employers	
Amalgamated Sugar	Henningsen Cold Storage
Bridgeview Estates	Independent Meat
C3 CustomerContactChannels	Jayco
Chobani	Personnel Plus
College of Southern Idaho	Seneca
ConAgra	Transystems
Costco	St. Luke's Magic Valley Regional Medical Center
Glanbia NA	Walmart

Twin Falls MSA Occupational Wages*	Entry Wage	Median Wage
Assemblers & Fabricators	$10.65	$14.97
Bookkeeping, Accounting & Auditing Clerks	$10.20	$18.36
Carpenters	$10.29	$17.27
Cashiers	$8.78	$10.79
Child, Family, & School Social Workers	$17.12	$22.00
Dental Assistants	$13.22	$15.94
Electricians	$13.69	$22.05
Farmworkers, Farm, & Ranch Animals	$8.61	$11.78
Graders & Sorters - Ag Products	$8.21	$11.41
Landscaping & Groundskeeping Workers	$10.25	$13.27
Licensed Practical	$16.94	$20.94
Maintenance & Repair Workers, General	$11.57	$19.29
Pharmacists	$53.72	$61.08
Registered Nurse	$23.50	$31.60
Teachers, Elementary	$28,880	$42,000
Teachers, Secondary	$35,220	$43,560
Tellers	$10.93	$13.78
Truck Drivers, Heavy & Tractor-Trailer	$9.81	$15.91

* Additional occupational wage data can be found on the Idaho Department of Labor website at lmi.idaho.gov.

Wages & Income

Per capita income rose 37 percent since 2009, similar to the state and the nation putting its growth ranking at 29th. Twin Falls ranks 16th among the 44 counties in its per capita income level. It realized 3.6 percent growth from 2017, ranking 16th among Idaho's 44 counties and was outpaced by the state and nation's annual growth. Its share of the state per capita income is 90 percent while its share is only 73 percent of the nation's per capita income.

Construction is still recovering from the Great Recession—13% short of 2007 average employment. From 2018 to 2019, All Industry average employment grew 1.7% with wages increasing by 2.8%. Leisure and Hospitality experienced huge growth over the last decade up 60% in average employment, but suffering double digit losses currently due to COVID-19 restrictions. Construction employment grew by 45% from 2009, up 7.5% in 2019. Manufacturing dropped a few jobs from 2018 but grew its wages by a whooping 6.4%. Financial services along with Professional and Business Services were the other two industries to lose employment during 2019. Over the last decade, covered wages have increased across all industries outpacing inflation by 9.4 points.

Covered Employment & Average Annual Wages Per Job for 2009, 2018 & 2019	2009 Average Employment	2009 Average Wages	2018 Average Employment	2018 Average Wages	2019 Average Employment	2019 Average Wages
Total Covered Wages	33,133	$28,517	39,263	$35,686	39,923	$36,668
Agriculture	1,943	$26,711	2,224	$37,455	2,249	$38,552
Mining	34	$35,521	**	**	**	**
Construction	1,338	$29,862	1,530	$37,238	1,644	$39,945
Manufacturing	3,171	$34,378	4,835	$49,505	4,802	$52,680
Trade, Utilities & Transportation	7,283	$27,868	8,152	$36,021	8,234	$37,010
Information	571	$30,009	400	$41,400	400	$41,205
Financial Activities	1,437	$38,556	1,382	$46,330	1,354	$48,255
Professional and Business Services	4,194	$25,478	4,922	$29,848	4,859	$30,811
Educational and Health Services	4,974	$32,593	5,900	$40,294	5,915	$41,104
Leisure and Hospitality	2,732	$12,268	3,949	$14,870	4,367	$15,295
Other Services	1,007	$22,414	1,031	$30,877	1,068	$31,652
Government	4,450	$31,969	5,157	$35,463	5,229	$36,160

Per Capita Income	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Twin Falls County	$28,972	$29,859	$31,307	$32,996	$34,019	$35,300	$36,881	$37,089	$38,230	$39,623
State of Idaho	$31,186	$31,957	$33,515	$35,188	$36,200	$37,896	$39,857	$40,670	$42,094	$43,901
United States	$39,284	$40,546	$42,735	$44,599	$44,851	$47,058	$48,978	$49,870	$51,885	$54,446

Information provided by Bureau of Economic Analysis

IDAHO DEPARTMENT OF LABOR
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JANI REVIER, DIRECTOR

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Proximity Features	
Expected Changes in Economic Base	None
Protection from Adverse Conditions	Average
Demand for Real Estate Like Subject	Adequate
Potential Additional Supply Like Subject	Minimal Potential
Building Age Range *{excluding extremes}*	0 to 50 Years
Oversupply of Property Like Subject	Minimal
General Appearance of Properties	Average / Good
Location	Average, Urban
Land Use Change	Not Likely
Police & Fire Protection	Average
Expressway Access	3 to 5 miles
Employment Centers	Under a mile
Property Compatibility	Average
Overall Appeal to Market	Average

Nearby Land Uses	
Single-Unit Residential	20%
Multiple-Unit Residential	10%
Retail / Commercial	20%
Office	15%
Industrial	35%
Agriculture	0%
Vacant Land	5%
----------------	------
Total	100%
Other Description: The subject is located in the industrial area of Downtown Twin Falls.	

Market Conditions

Introduction

The market area is the physical area where similar properties effectively compete. It can also be envisioned as the area that contains the all the primary competition, and in certain cases, some secondary competition. Market areas may contain one or more neighborhoods, districts, cities, counties, or states.

Market Area Boundaries

North	Twin Falls County
East	Twin Falls County
South	Twin Falls County
West	Twin Falls County

Demographics

Physical Area	Twin Falls County
Recent Population Level	Mildly rising near 77,230
Household Income	About stable near $42,455

Local Unemployment

Physical Area	Twin Falls County
Recent Pattern	Mildly declining
Approx. Current Percent	3.70%

Financing *(for real estate like subject)*

General Loan Availability	Ample availability; requirements mildly difficult
Interest Rate Range	4.00% to 7.50%
Typical Loan-to-Value Ratio	70% to 75%
Typical Amortization Years	20 to 25 years
Loan Maturity / Balloon	5 years

Market Conditions

Local Housing

Local housing is a good barometer of general consumer confidence. If residents are bidding up home prices, then they are confident about their jobs and the economy. Non-residential real estate often experiences price movement in the same direction.

Physical Area	Twin Falls County
Foreclosures & Short Sales	Shrinking portion of all sales
New Construction	Significant
Expected Near Future Price Change	Expected to mildly rise
Overall Supply & Demand of Housing	Small excess demand; mild sellers market

Real Estate Like Subject

Rental Market

Inventory of Competing Property for Rent	Near equilibrium
Rent Controls	None
Rent Concessions	Not Prevalent
Expected Near Future Rent Change	Expected to mildly rise

Sales Market

New Construction	Some
Inventory of Competing Property for Sale	Near equilibrium
Expected Near Future Price Change	Expected to remain about stable
Marketing Times	Stable

Overall Market Conditions	Stable

Area Discussion

In analyzing the general city area of the subject property, there are four primary forces which influence real estate value, the four forces are: 1) social, 2) economic, 3) governmental, and 4) environmental considerations.

Environmental Considerations

Subject lots are located in an established section near the middle portion of Twin Falls. The general neighborhood is mixed use of professional, commercial, and residential uses. The general neighborhood is mostly built-up. The city of Twin Falls is located in the south part of Twin Falls County in southern Idaho. It is approximately 128 miles southeast of Boise, the capital city, approximately 115 miles southwest of Pocatello, and 222 miles northwest of Salt Lake City Utah. Twin Falls is located off of Interstate 84, which runs east/west in Idaho. Twin Falls is the home of the College of Southern Idaho. The environmental considerations of Twin Falls contribute to an economic base of primarily wholesale trade, manufacturing, and health care. There has been growth in the area and property values have been increasing. The elevation of Twin Falls is approximately 3,750 feet. The annual precipitation is 9-12 inches. The average temperature in January is 37 degrees and in July is 91 degrees. A visual inspection of the property did not reveal any apparent environmental issues or concerns. While the appraiser has inspected the subject property, he is not qualified to detect hazardous substances whether by visual inspection or otherwise, nor qualified to determine the effect, if any, of known or unknown substances present. The final value estimate is based on the subject being free of hazardous waste contamination. Parties desiring more precise and reliable information may wish to engage a professional environmental consultant to conduct an environmental assessment. Should such assessment indicate an adverse condition is present that has not been addressed by this appraisal; the conclusion of this appraisal may need revision.

Social Considerations

Twin Falls County (population 2010 census – 77,230) is situated in south central Idaho in the midsection of the Magic Valley. Twin Falls is the county seat (population 2010 census – 44,125) and serves as the transportation, marketing and retail center of the Magic Valley. The county airport is located six miles south of Twin Falls and the city draws shoppers from areas more than 100 miles in distance. U.S. Highway #93 meets Interstate 84 approximately three miles north from the Perrine Bridge north of Twin Falls City. U.S. Highway #30 and the Union Pacific Railroad also serve Twin Falls County. There are 11 schools in Twin Falls consisting of seven elementary schools, two junior highs, two high schools, one alternative school, and six private schools.

Governmental Considerations

Twin Falls has a City-City Manager form of government and an organized City Fire and Police Department. The city has 70 police officers and 37 firefighters. Politically, the community is conservative in its attitudes towards growth and development, however, new development is encouraged as well as a diverse economic base.

Economic Considerations

Twin Falls is the financial and business center of about a 100-mile radius, which would include a population of about 150,000 people. Counties within the trading area are Blaine, Camas, Lincoln, Jerome, Gooding, Minidoka, and Twin Falls. Northern Nevada is also considered as part of the "Greater" Magic Valley.

The economy has an agricultural base and is one of the most densely developed agricultural areas in the United States. There are approximately 250,000 acres of irrigated land in Twin Falls County. Most of the industries are agriculture-related, such as the Amalgamated Sugar Processing Plant, Seed Milling and cleaning facilities, flower mills, and potato processing plants.

There are a number of cultural and recreational facilities available to the community, including a city owned golf course, tennis courts, swimming pools, ball fields, racquet ball and basketball courts. There are also two private golf courses in the community. Skiing is an important and growing activity with available skiing from about 45 to 90 minutes away at several well developed ski areas, Magic Mountain, Pomerelle, Soldier Mountain, and the famous Sun Valley, Idaho. There is a nice theatre on the CSI campus, and there are a number of community drama groups. There is a symphony orchestra which usually provides about four to six concerts during the year. Other special activities are also sponsored by local communities and the College of Southern Idaho.

Full hospital facilities are available at St. Luke's Magic Valley Regional Medical Center, with 165 beds and 24-Hour Emergency Room service. There are a number of active and associate physicians connected with the hospital, as well as three dentists. There are eight banks with about 16 different locations, along with five Savings and Loan institutions, providing for banking services in the community (Twin Falls). Special manufacturers in the area include Long View Fiber Company, manufacturing corrugated cardboard boxes; Norco Manufacturing, a window product company; Spears Company, a manufacturer of sprinkler products; along with numerous other agriculture related industries. One of the more interesting agricultural pursuits in the area is trout raising. Approximately 90% of commercial trout in the United States is raised within 25 miles of Twin Falls. Twin Falls County is also the leading county in the U. S. for the production of garden seed beans.

The buildings in the farming areas in Twin Falls County generally reflect the prosperity of the farming area. Twin Falls residential areas have expanded from the city and housing is still a major expansion influence. Most farm improvements are well kept and are very functional. These improvements may not be new; however, they are very adequate in most situations. The improvement values are generally a rather small portion of the overall farm value.

Neighborhood Analysis & Trends

Subject lots are in Twin Falls. The northern end has gone through a tremendous rezoning and commercial development phase over the last five years or so. The major advent was the Magic Valley Mall, which seemed to spawn the major growth in commercial development. Most of the northern Blue Lakes neighborhood has been developed at this writing and is beginning to expand east and west. The primary zone on Blue Lakes is C-1 which stands for commercial highway. The general neighborhood is mixed use of industrial, manufacturing and commercial uses. The general neighborhood is about 75% built-up. The immediate neighborhood of the subject is influenced primarily by a variety of developments. The general neighborhood discussed is in a growth/revitalization stage of development with average demand of the properties in the area continuing in the future.

♦ Subject Property • • •

Identification of the Property

The subject parcels are sporadic around the downtown area and generally situated along the top rim of the Rock Creek Canyon. More specifically, they are found on either side of Shoshone Street and either side of 2nd Avenue North, and east of the Washington Street Bridge and on the north side of Victory Road west of Washington Street within Twin Falls County, Idaho. The lots are undeveloped land and therefore have no common address.

Legal Description

A professional surveyor and / or legal counsel should verify the following legal description before relying upon, or using it as part of any conveyance, or any other document. This legal description was obtained from public records and is assumed accurate.

Subject Properties					
#	Address	Parcel Number	Square Feet	Legal Description	Use
1	SW Corner of 2nd Ave E and Hansen St	RPT000108700CA	8,015	Twin Falls Lavering's Amended Plat of Lots 13,14,15 & 16; Block 87 of Twin Falls Townsite Final & Amended Lots C, C, & E; Block 87; Twin Falls Townsite Final & Amended NE 10' of SW 20' Vacated Alley Adjacent to Lots 17 & 18; Block 87	Parking Lot
2	SW Corner of 3rd Ave S and Idaho St	RPT0001133010B	21,780	Twin Falls Townsite Final & Amended; Lot 10, Except NW 10' x 10'; Lots 11 Thru 16; Block 133	Parking Lot
3	341 Hansen St S	RPT0001133017A	18,731	Twin Falls Townsite Final & Amended; Lots 17 Thru 22; Block 133 (16-10-17)	Parking Lot
4	249 4th Ave S	RPT0001133025A	12,502	Twin Falls Townsite Final & Amended; Lots 25 Thru 28; Block 133 (16-10-17)	Parking Lot
5	135 5th Ave S	RPT0001145011A	28,140	Twin Falls Townsite Final & Amended; Lots 11 Thru 14; NW 25' Lot 15; Strip of Land (15' x 125') Between Lots 6 Thru 11; Block 145 (16-10-17 SW)	Parking Lot
6	229 2nd Ave N	RPT0001085008A	21,867	Twin Falls Townsite Final & Amended; Lots 8 Thru 14; Block 85 (16-10-17)	Parking Lot
7	241 2nd Ave N	RPT0001085006A	6,229	Twin Falls Townsite Final & Amended; Lots 6 & 7; Block 85 (16-10-17)	Parking Lot
8	250 5th Ave S	RPT0001155000A	21,344	Twin Falls Townsite Final & Amended;All Block 155; Adjacent Vacant 2nd Street South, Except North 17' (16-10-17 SW)	Parking Lot
9	South of Minidoka Ave and Hansen St	RPT00107166005	56,192	Twin Falls Acres Inside; Tax #1805 in SW (16-10-17)	Parking Lot
10	244 Railroad Ave S	RPT4401001018A	8,320	Twin Falls Railroad Subdivision; Lots 18 & 19; Block 1 (16-10-17 SW)	Vacant Lot
11	237 Maxwell Ave	RPT4401001035A	5,053	Twin Falls Railroad Subdivision; Except North 6' Lot 35; Block 1 (16-10-17 SW)	Vacant Lot
12	SE Corner of 5th Ave W and Gooding St	RPT0001153001D	18,600	Twin Falls Townsite Final & Amended; Tax #1810 (Including Tax #334 & Part of Tax #335) Exxcept Tax #336 & Except Lots 4 Thru 11; Block 153 (16-10-17 SW)	Parking Lot
13	SW Corner of 5th Ave W and Shoshone St	RPT0001153007A	12,545	Twin Falls Townsite Final & Amended; Lots 7 Thru 11 of Tax #1810 & Tax #336, Except Tax #1706; Block 153 (16-10-17 SW)	Parking Lot
14	151 Maxwell Ave	RPT4401001028A	10,019	Twin Falls Railroad Subdivision; Except North 7' Lots 28 & 29; Block 1)16-10-17 SW)	Vacant Lot
15	260 Maxwell Ave	RPT00107166613	6,186	Twin Falls Acres Inside; Tax #2988 In SW (16-10-17)	Rock Creek Area
16	247 Bell St	RPT00107166620	120,792	Twin Falls Acres Inside; Tax #502 (16-10-17)	Rock Creek Area
17	274 Victory Ave	RPT00107171241	77,667	Twin Falls Acres Inside; Tax #1610 (Part of Tax #484 & Tax #1177), Except Tax #1812 SW	Rock Creek Area

Sale History

On-line public records and / or a private data-reporting service were used to search for prior sales of the subject real estate. This research discovered no recorded conveyance of the subject during the three-years preceding the date of the appraisal inspection. Our client Indicated none of the properties conveyed. Moreover, none of the subject parcels were offered "For Sale" in the local MLS or other major data-reporting services during this same period. No sale or option agreements are now pending.

Subject's Current Ownership	
Owner	*Information Source*
Urban Renewal Agency of the City of Twin Falls	Assessor's Records

Flood Hazard

According to the appropriate Federal Emergency Management Agency (FEMA) flood map, which is identified below, the subject property is not located in a zone "A" special flood hazard.

Flood Map Number	160201B
Flood Map Date	10/01/86
Flood Zone	X

Flood Maps published by FEMA are not precise. If anyone desires a precise determination of the subject's flood hazard classification, a professional engineer, licensed surveyor, or local governmental authority should make an exact determination.

Zoning

These parcels are well suited to serve a large number of legally permitted uses including commercial/industrial uses. Zoning does not unduly limit value or marketability.

Real Estate Taxes

The subject properties are tax exempt; hence no information is available.

Environmental Risks

Disclosure

During the course of this appraisal, the appraiser(s) **did view** on, under, above, or within the subject real estate some substance or gas that may or may not create an environmentally hazardous condition. This potential environmental risk is listed below after the *Recommendations* section of this Environmental Risks statement.

It should be known the appraiser(s) **did not view** the subject property with the intent of detecting any environmental hazard. It is beyond the expertise of the appraiser(s) to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. No effort was exerted to ascertain the presence of any environmental hazard including but not limited to the following.

Asbestos	*Urea-formaldehyde insulation*
Underground storage tanks	*Soil contamination or deficiencies*
Lead-based paint	*Toxic mold*
Radon	*PCB*
Chemical spills	*Fire resistant treated plywood (FRTP)*

Flood hazards are detailed elsewhere in this report. Except as enumerated herein, the appraiser(s) were not given the results of any environmental testing on or near the property being appraised. Nearby sites were not investigated to determine whether they are contaminated. Public information and other Internet sources were <u>not</u> researched to determine the presence of hazardous substances or detrimental environmental conditions in the subject's vicinity.

Federal, State, and local laws concerning any hazardous substance or gas are sometimes contradictory. Therefore, any needed clean up should comply with the most stringent laws. The appraiser(s) are **not** informed or trained in environmental legalities. It is assumed no hazardous substance or gas adversely affects the subject real estate. If the subject is adversely influenced by a hazardous condition, then the subject's market value is likely impaired.

Recommendation

The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraiser(s) or McKinlay & Klundt Appraisal Company for any hazard, or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

Subject Descriptions

Subject Site			
Address	***Various***		
Dimensions	Please see Aerial Maps	*Size*	Various
Easements	Only typical utility type	*Alley*	None
Encroachments	None known; none assumed	*Access*	Very restrictive
Shape	Irregular	*Street Paving*	Asphalt paved & Dirt; Gravel
Curbs & Gutters	Some	*Sidewalks*	Some
Topography	Level to Steeply sloping	*Gas*	None
Water & Sewer	Private well and septic		
Major Flaws	None		
Overall Features	Some of the land has some atypical, nonharmful physical features as compared to similar alternatives. Its overall locational attributes are fair relative to competitive parcels.		

A majority of the parcels are asphalt parking lots with three east of Shoshone street South between Railroad Avenue and Park Avenue and are located along and down the side of Rock Creek Canyon. The downtown area has undergone major renovation efforts in the past five years and the associated lots have been updated and modernized in order to accommodate existing and future employees and customers of the historic area. Each of the lots have a commercial/industrial zoning designation.

SW Corner of 2nd Avenue East and Hansen Street
RPT000108700CA-8,015+/- square feet and it is a paved parking lot.

SW Corner of 3rd Avenue South and Hansen Street
RPT0001133010B-21,780+/- square feet and it is a paved parking lot.

341 Hansen Street South
RPT0001133017A-18,731+/- square feet and it is a paved parking lot


249 4th Avenue South
RPT0001133025A-12,502+/- square feet and it is a paved parking lot

135 5th Avenue South

RP0001145011A-28,140+/- square feet and it is a paved parking lot

229 & 241 2nd Avenue North

RPT0001085008A-21,867+/- square feet & RPT0001085008A-6,229+/- square feet and both are paved parking lots

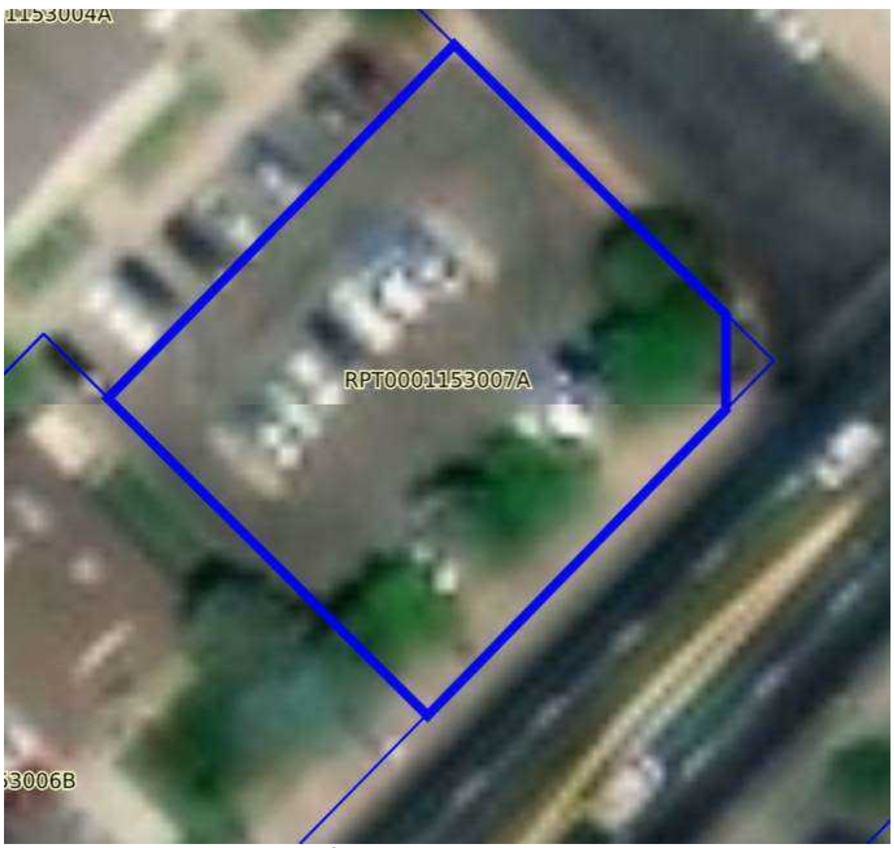
250 5th Avenue South
RPT0001155000A-21,344+/- square feet and is a paved parking lot and green area.

South of Minidoka Avenue and Hansen Street
RPT00107166005-56,192+/- square feet and is a paved parking lot

244 Railroad Avenue South
RP441001018A-8,320+/- square feet and it is a vacant lot

237 Maxwell Avenue
RPT4401001035A-5,053+/- square feet and it is a vacant lot

SW Corner of 5th Avenue West and Gooding Street
RPT0001153001D-18,600+/- square feet and it is a paved parking lot



SW Corner of 5th Avenue West and Shoshone Street
RPT0001153007A-12,545+/- square feet and it is a paved parking lot

151 Maxwell Avenue
RPT4401001028A-10,019+/- square feet and it is a vacant lot

260 Maxwell Avenue-Rock Creek Area
RPT0010766613-6,186+/- acres and is a vacant lot that is most likely to narrow to be a buildable lot.

247 Bell Street-Rock Area

RPT00107166620-120,792+/- square feet and is a steep vacant lot that lacks adequate access and a building site.

247 Victory Lane-Rock Creek Area

RPT00107171241-77,667+/- square feet and is a steep vacant lot that lacks adequate access and a building site.

Photographs of Subject
(photo page 1) *260 Maxwell Avenue*

Looking Southeast From North Side of Parcel

Looking South From North Side of Parcel

Photographs of Subject
(photo page 2)

Looking South West From North Side of Parcel

Looking South From North Side of Parcel

Photographs of Subject
(photo page 3)

Looking North West
From Lot

Looking East From
North Side of Parcel

Photographs of Subject
(photo page 4) ***247 Bell Street***

Looking North over Lot

Bell Street Looking South From Parcel

Photographs of Subject
(photo page 5)

Abandoned/ Damaged Improvement Adjacent the Subject Lot

Looking North Down Bell Lane Towards Subject Parcel

Photographs of Subject

(photo page 6) 274 Victory Street

Subject Parcel Begins at End of Grassline

View From North Side of Parcel

Photographs of Subject
(photo page 7)

Looking North East

Additional View
Looking North

Photographs of Subject

(photo page 8)

Victory Road Looking East

Victory Road Looking West

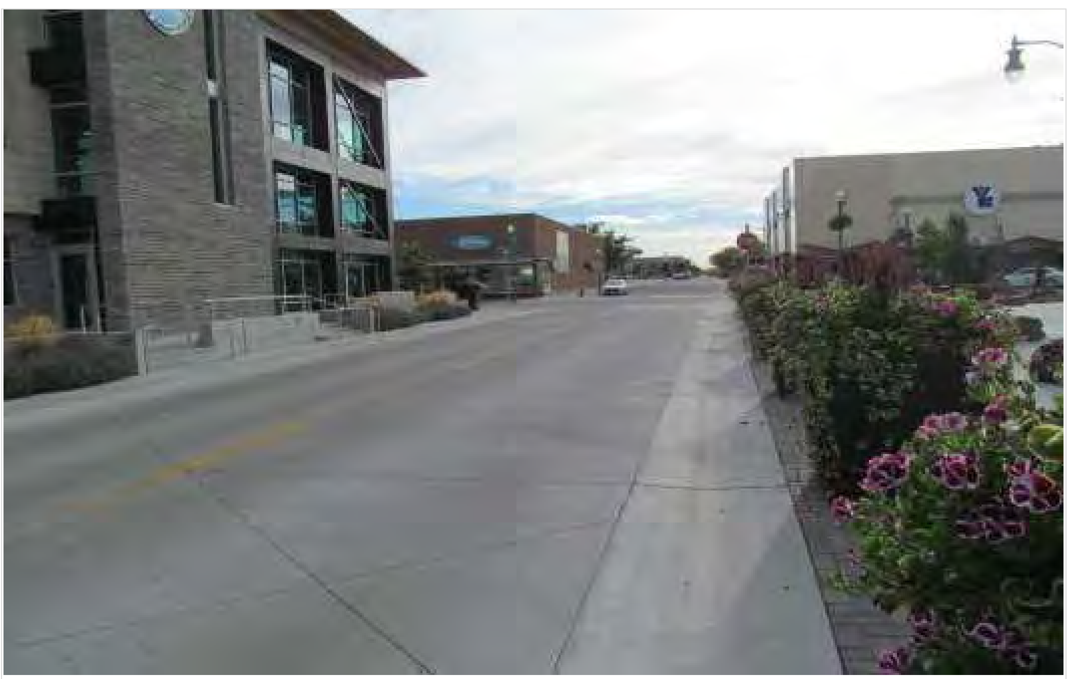
Photographs of Subject
(photo page 9)

Paved Alleyway
Looking North

Adjacent Lot

Photographs of Subject
(photo page 10)

Hansen Street
Looking East



Hansen Street Looking
West

Photographs of Subject
(photo page 11)

229 2nd Avenue East

241 2nd Avenue East
Looking North West

Photographs of Subject

(photo page 12)

241 2nd Avenue East
Looking South

3rd Avenue South &
Idaho Street

Photographs of Subject
(photo page 13)

3rd Avenue South & Idaho Street

341Hansen Street

Photographs of Subject

(photo page 14)

249 4th Avenue South

135 5th Avenue South

Photographs of Subject
(photo page 15)

135 5th Avenue South

135 5th Avenue South

Photographs of Subject
(photo page 16)

5th Avenue West &
Gooding Street
Looking West

5th Avenue West &
Gooding Street
Looking South West

Photographs of Subject
(photo page 17)

5th Avenue West &
Shoshone Street
Looking West

5th Avenue West &
Shoshone Street
Looking North

Photographs of Subject
(photo page 18)

250 5th Avenue South

250 5th Avenue South

Photographs of Subject
(photo page 19)

South Side of
Minidoka Avenue &
Hansen Street

South Side of
Minidoka Avenue &
Hansen Street

Photographs of Subject
(photo page 20)

151 Maxwell Avenue

151 Maxwell Avenue

Photographs of Subject
(photo page 21)

151 Maxwell Avenue

244 Railroad Avenue South

Photographs of Subject
(photo page 22)

237 Maxwell Avenue

Looking East on
Maxwell Avenue

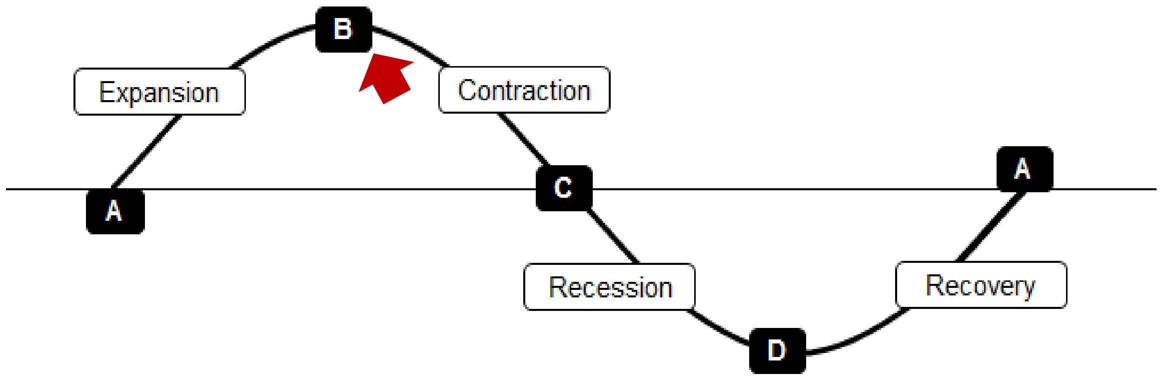
♦ Analyses & Conclusions • • •

Value Introduction

For real estate consisting of land and building(s), there are three primary valuation methods - the cost approach, sales comparison approach, and income approach. Unless stated otherwise, only those considered applicable and necessary to produce credible results are developed in this report.

Real Estate Cycles

Real estate generally has four market cycles. "Understanding where the market is and forecasting the extent of duration of the cycle are important in projecting the pattern of future income."[1] These cycles are depicted below.



The red arrow depicts the appraiser(s) opinion of the subject's position in the market cycle.

Segment	Name	Characteristics
AB	Expansion	Growing demand, rental rates climbing above replacement cost, decreasing vacancy, concessions not prevalent, high profit potential stimulating much new construction
BC	Contraction	Stable to weakening demand, stable to weakening vacancy, small concessions beginning to occur, rents stable to mildly weakening, profit potential shrinking so new construction slowing
CD	Recession	Stagnant to declining demand, vacancy growing, rental rates falling, significant concessions prevalent, new construction virtually halted
DA	Recovery	Demand strengthening, vacancy shrinking, rental rates starting to climb, concessions shrinking, new construction beginning to occur
Time until the **next** major point		1 to 2 years

[1] *Advanced Concepts & Case Studies,* pg 253, Appraisal Institute, copyright 2010

Highest and Best Use

Introduction

A highest and best use identifies the most reasonably probable and appropriately supported use of the property appraised. Since market conditions change, a property's highest and best use may change as well. This analysis is an essential step in the determination of market value. Market dynamics determines a property's use and an appraisal values that use. Practically speaking, a highest and best use analysis forms a framework for the proper selection of comparables.

There are two types of highest and best use. The first is highest and best use of land as though vacant. If a building already exists, the second variety is highest and best use as though now improved. The later considers whether the existing building should be retained as is, demolished, remodeled, renovated, repaired, enlarged, or converted to an alternate use. Both types require separate analyses. Current usage may or may not be different from the near future highest and best use.

There are four main tests in a highest and best use analysis, which are summarized below.

- Legal permissibility - governmental requirements and limitations like zoning are considered as well as other legal issues like deed restrictions, easements, and leases.
- Physical attributes like size, design, and physical condition are weighed
- Financial feasibility is ascertained via either an implied or calculated method
- Maximum productivity is determined

If more than one use survives the first three tests, the use that produces the highest, appropriately supported, positive value with the least risk is the highest and best use.

Demand analyses can be categorized into two different levels of detail - Inferred and Fundamental. A fundamental analysis forecasts future demand from projections of broad demographic and economic data like population, income, and employment. Existing supply is inventoried. Then, the relationship of supply and demand is weighed to determine residual demand. If residual demand is positive, more of that property type is needed. Of course, the opposite is also true.

An inferred analysis is based on local trends and patterns from which inferences are made. This type analysis presumes that recent past trends will continue for the near future. Sale prices, number of competitive listings, marketing intervals, and / or price changes for other similar properties infer there is adequate demand for the subject at a price level congruous with the available data. An inferred analysis emphasizes historical data while a fundamental analysis is based on expected future occurrences.

There are two types of highest and best use - “as though now vacant” and “as though now improved”. The former presumes the land is vacant and available for development. The latter considers whether the building should be retained as is, renovated, remodeled, repaired, enlarged, demolished, or converted to an alternate use.

Highest and Best Use

Buyer Types

The most likely buyer type is crucial to highest and best use. Different buyer types have different motivations and different perceptions of risk. The buyer type must be identified to better understand applicable approaches and the selection of cap rates and yield rates. Different buyer types are defined below.

1	Owner-User	Acquires real estate mostly for its use or control. Vacancy & investment yield are not primary criteria. Property suitability is the major objective. Typically, a medium to long-term owner.
2	Secure Income Investor	Seeks an established, secure income stream; normally does not change the property in any meaningful way. Usually favors a long-term ownership.
3	Developer	Acquires real estate to physically or legally change it in some significant fashion; accepts substantial risk so expects major reward over a short-to-medium holding period.
4	Speculator	Buys real estate solely as an investment with most of the reward at termination. Property use is not a primary consideration; medium-to-long-term holding period; Usually buys during very weak market conditions, so accepts huge risk. Mantra: buy low, sell high.
5	Value Growth Investor	Buys real estate mostly for price appreciation. Property use is usually not a major consideration. Typically buys during conditions of rapidly increasing prices; prefers a short-to-medium ownership period.

Ideal Improvement

Identification of the "**ideal improvement**" is an essential element of highest and best use. If the property appraised is vacant land, the ideal describes what should be built. If the existing improvements (one or more buildings and site improvements) have the same or similar attributes as the ideal, then the existing improvements have no or minimal depreciation. Obviously, the opposite also applies. The described ideal improvement is as specific as market data will allow. The ideal improvement is the physical use of the land as though vacant.

This appraisal's highest and best use was based, in part, on an inferred demand analysis. Following below are summary considerations used to form two highest and best use deteminations for the property appraised.

- Zoning permits commercial uses or related accessory uses.

- Nearby lands are compatibly zoned. There are no known deed restrictions, leases, or other legal issues, which preclude or delay the highest and best use. There is no substantial potential for rezoning to a significantly different use.

- Physical attributes of the property appraised are well suited to serve the use identified below. Usage of the property in this fashion produces a positive reward with acceptable risk.

Highest and Best Use

Timing of Use

A crucial component of a highest and best use is timing. If the timing of a use is not now, when is it? When timing for a specific use cannot be identified, then that use is not the best. If the highest use is not within a decade, then the time-value of money usually precludes that use. When the timing of a use is within a few years, what is the interim use? Remaining dormant is a legitimate interim use.

Most Likely User

The most likely user is also important. Clearly, users of an age-restricted, multiunit residential structure have needs and preferences that are much different from young married couples with small children. Similarly, the most likely buyer of a handicap accessible home is a handicap person. This most-likely buyer would perceive the special physical features as beneficial, not detrimental. Preferences and needs of the most likely user affect value, so the most likely user should be identified to judge the extent that existing or proposed improvements fulfill those preferences or needs. Nationally-recognized users typically pay higher prices and rents as compared to local users.

Highest & Best As Though Now Vacant Land

Physical Use	Commercial Land
Timing of Physical Use	Immediately develop with the physical use
Interim Use	No Interim Use
Market Participants	
Most Likely Buyer	A speculator
Most Likely User	An affluent local tenant

The subject land “as though now vacant” has a market value that is less than the worth of the land and building together. This proves the improvements positively contribute to value. These improvements were designed to serve its current use; they are compatible with nearby uses. Local costs, prices, and rents do not justify major building alterations. Therefore, the improvements should beretained and used "as is".

Considering the foregoing highest and best use determinations, comparables were selected with the same or similar highest and best use. This data is very influential while forming a value opinion for the property appraised.

Land Value "As Is"

Cost Approach

Introduction

The cost approach requires the estimation of a current reproduction or replacement cost for the subject's physical improvements. From total cost new, an amount must be deducted for depreciation. Depreciation is a loss in value due to any cause. It can be classified into three main types - physical deterioration, functional obsolescence, or external obsolescence. Land value is then added to the depreciated cost of the improvements thereby completing this approach. Since the subject properties do not have any building improvements, hence the Cost Approach is not applicable in this appraisal problem.

Land Value

Introduction

The best method of valuing vacant land is the sales comparison approach. Sales of similar sites are gathered and compared to the parcel being appraised. Differences affecting value are noted. Adjustments to compensate for dissimilarities are applied applicable transactions. Adjusted comparables produce an indication of value for the subject parcel.

Any factor can affect value. Those considered during this appraisal’s land valuation process included yet are not limited to prominence of location, date of sale, size, shape, availability of utilities, zoning, topography, and access. Numerous sales were reviewed; however, only those deemed most comparable were selected for detailed analysis. All conveyed on an “arm’s length” bass except if specifically noted otherwise. Land sales shown herein are presented on a dollar per square foot basis as a common denominator.

Abbreviations Used in Some Tables			
SEC	= Southeast Corner	Sim	= Similar
NWC	= Northwest Corner	Inf	= Inferior
Loc Fea	= Locational Features	Sup	= Superior

There are few, if any, conveyances of truly similar land. Therefore, an opinion of the subject's land value was developed after consideration of scarce sales, which hinders the sales comparison process. Moreover, the allocation method of land valuation was also considered.

Land Sale #1

Comparable Land Sale 1

Location Data	
Address: 727 West Main Street	
City: Twin Falls, Idaho	
Sales Data	
Grantor:	Confidential
Grantee:	Confidential
Sale Date:	02/20
Sales Price:	$30,000
Financing Terms:	Cash to Seller
Cash Equivalent Price:	$30,000
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	Arms Length
Verification:	MLS/Seller
Days on Market:	27
Site Data	
Size (SF):	6,098 +/- SF
Utilities:	
Power:	At Lot
Water/Sewer:	At Lot
Gas	At Lot
Appraisal Indicators	
Overall Price Per Square Foot:	$4.92
Zoning	
Commercial	

Comments: This sale is located at the corner of West Main Street and Albion Street. There were no building improvements on it at the time of sale. This was a vacant lot with typical utility services.

Land Sale #2

Comparable Land Sale 2

Location Data	
Address:	TBD 3rd Avenue South
City:	Twin Falls, Idaho
Sales Data	
Grantor:	Confidential
Grantee:	Confidential
Sale Date:	05/20
Sales Price:	$90,000
Financing Terms:	Cash to Seller
Cash Equivalent Price:	$90,000
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	Arms Length
Verification:	Seller
Days on Market:	47
Site Data	
Size (SF):	9,583 +/- SF
Utilities:	
Power:	At Lot
Water/Sewer:	At Lot
Gas	At Lot
Appraisal Indicators	
Overall Price Per Square Foot:	$9.39
Zoning	
Commercial	

Comments: This sale is located on 3rd Avenue South. There were no building improvements on it at the time of sale. The lot ws partially paved and compact gravel. This was a vacant lot with typical utility services.

Land Sale #3

Comparable Land Sale 3

Location Data

Address: 564 Main Avenue South
City: Twin Falls, Idaho

Sales Data

Grantor:	Confidential
Grantee:	Confidential
Sale Date:	06/20
Sales Price:	$70,000
Financing Terms:	Cash to Seller
Cash Equivalent Price:	$70,000
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	Arms Length
Verification:	MLS/Seller
Days on Market:	337

Site Data

Size (SF):	6,098 +/- SF

Utilities:

Power:	At Lot
Water/Sewer:	At Lot
Gas	At Lot

Appraisal Indicators

Overall Price Per Square Foot:	$11.48

Zoning

Commercial

Comments: This sale is located at the corner of South Main Street and Liberty Street. There was a small old commercial building on the site that was considered to be in poor condition and offer no contributory value to the sales price, hence the sale is considered to be vacant land values. This was a vacant lot with typical utility services.

Land Sale #4

Comparable Land Sale 4

Location Data

Address: 162 Washington Street
City: Twin Falls, Idaho

Sales Data

Grantor:	Confidential
Grantee:	Confidential
Sale Date:	08/19
Sales Price:	$130,000
Financing Terms:	Conventional
Cash Equivalent Price:	$130,000
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	Arms Length
Verification:	MLS/Seller
Days on Market:	332

Site Data

Size (SF):	16,117 +/- SF

Utilities:

Power:	Near
Water/Sewer:	None
Gas	None

Appraisal Indicators

Overall Price Per Square Foot:	$8.07

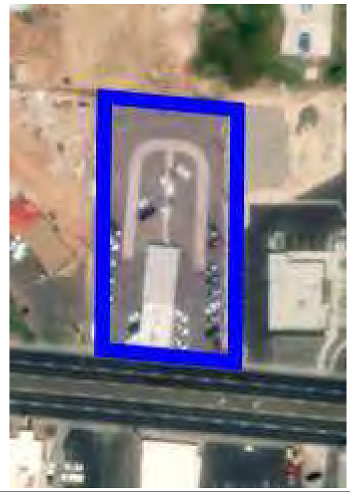
Zoning

Commercial

Comments: This sale is located on Washington Street. There was a small old single wide trailer on the site that was considered to be in poor condition and offer no contributory value to the sales price, hence the sale is considered to be vacant land values. This was a vacant lot with typical utility services.

Land Sale #5

Comparable Land Sale 5



Location Data

Address: 356 Addison Avenue West
City: Twin Falls, Idaho

Sales Data

Grantor:	Confidential
Grantee:	Confidential
Sale Date:	06/20
Sales Price:	$215,000
Financing Terms:	Cash to Seller
Cash Equivalent Price:	$215,000
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	Arms Length
Verification:	Seller
Days on Market:	386

Site Data

Size (SF):	30,492 +/- SF

Utilities:

Power:	At Lot
Water/Sewer:	At Lot
Gas	At Lot

Appraisal Indicators

Overall Price Per Square Foot:	$7.05

Zoning

Commercial

Comments: This sale is located on Addison Avenue West. There was a small old commercial building on the site that was considered to be in poor condition and offer no contributory value to the sales price, hence the sale is considered to be vacant land values. This was a vacant lot with typical utility services.

Land Sale #6

Comparable Land Sale 6

Location Data

Address: 2311 Eldridge Avenue
City: Twin Falls, Idaho

Sales Data

Grantor:	Confidential
Grantee:	Confidential
Sale Date:	05/19
Listing Price:	$140,500
Financing Terms:	Cash to Seller
Cash Equivalent Price:	$140,500
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	Arms Length
Verification:	Seller
Days on Market:	385

Site Data

Size (SF):	45,564 +/- SF

Utilities:

Power:	At Lot
Water/Sewer:	At Lot
Gas	At Lot

Appraisal Indicators

Overall Price Per Square Foot:	$3.08

Zoning

Commercial

Comments: This sale is located on Eldridge Avenue in a industrial/manufacturing area of Twin Falls.

Comparable Land Sale 7

Location Data

Address: 2335 Eldridge Avenue
City: Twin Falls, Idaho

Sales Data

Grantor:	Confidential
Grantee:	Confidential
Sale Date:	05/19
Listing Price:	$140,500
Financing Terms:	Cash to Seller
Cash Equivalent Price:	$140,500
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	Arms Length
Verification:	Seller
Days on Market:	385

Site Data

Size (SF):	45,520 +/- SF

Utilities:

Power:	At Lot
Water/Sewer:	At Lot
Gas	At Lot

Appraisal Indicators

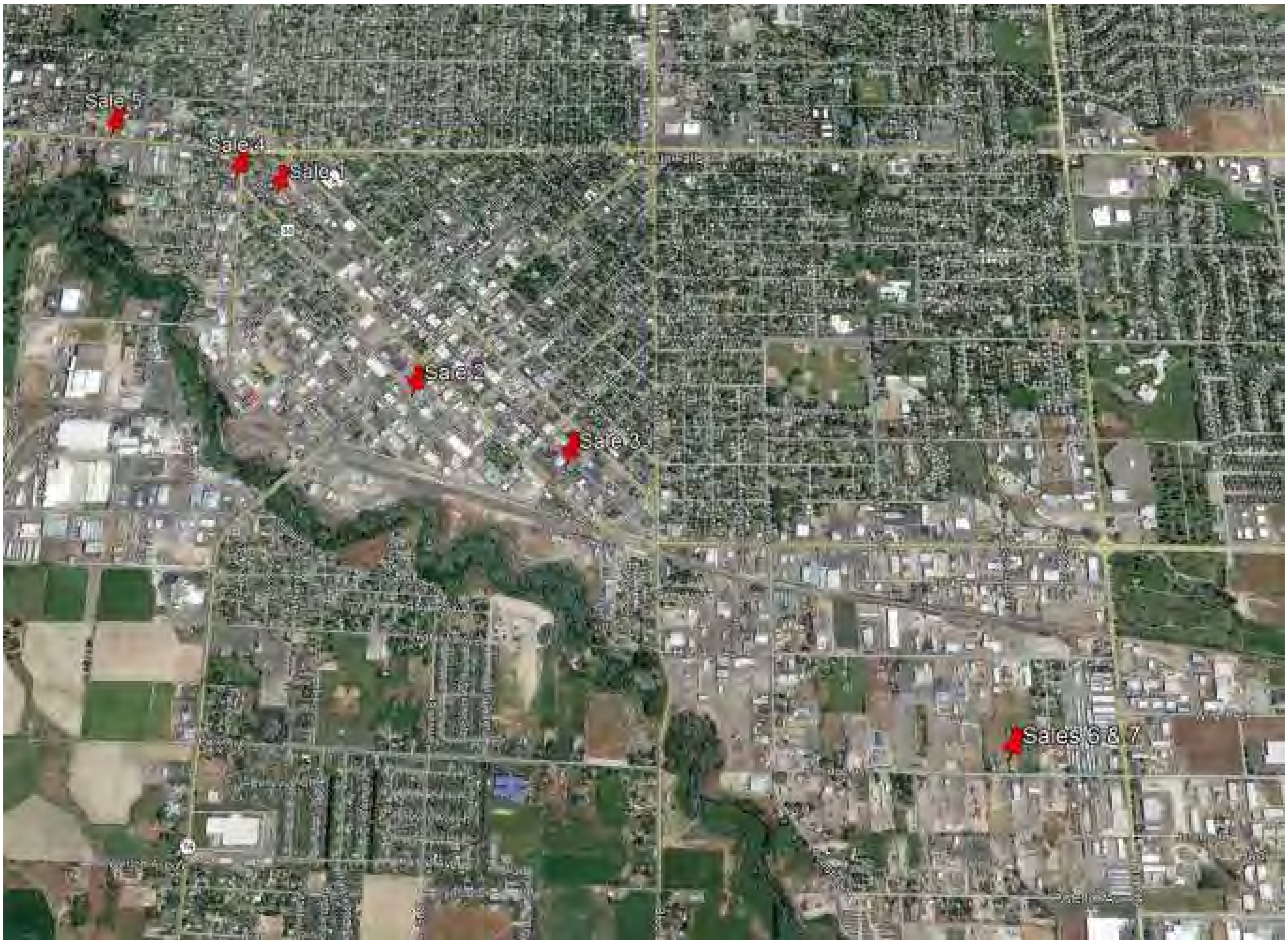
Overall Price Per Square Foot:	$3.09

Zoning

Commercial

Comments: This sale is located on Eldridge Avenue in a industrial/manufacturing area of Twin Falls.

Land Sales Location Map



Summary of Land/Site Sales						
#	**Location**	**Sale Date**	**Size (SF)**	**Zoning**	**Purchase Price**	**Price/ SF**
1.	727 West Main Street, Twin Falls, Idaho	02/20	6,098	Com	$30,000	$4.92
2.	TBD 3rd Avenue South, Twin Falls, Idaho	05/20	9,583	Com	$90,000	$9.39
3.	564 Main Avenue South, Twin Falls, Idaho	06/20	6,098	Com	$70,000	$11.48
4.	162 Washington Street, Twin Falls, Idaho	08/19	16,117	Com	$130,000	$8.07
5.	356 Addison Avenue West, Twin Falls, Idaho	06/20	30,492	Com	$215,000	$7.05
6.	2311 Eldridge Avenue, Twin Falls, Idaho	05/19	45,564	Com	$140,500	$3.08
7.	2335 Eldridge Avenue, Twin Falls, Idaho	05/19	45,520	Com	$140,500	$3.09
Subj.	Downtown Area Twin Falls, Idaho	-	5,023 To 120,792	Com/Ind	-	-

Land Value

Adjustment Grid

Land/Site Adjustment Grid								
SUMMARY OF COMPARABLES	Subject	1	2	3	4	5	6	7
Date of Sale		02/20	05/20	06/20	08/19	06/20	05/19	05/19
Zoning	Com	Com	Com	Com	Com	Com	Com	Com
Utilities	Typical	Typical	Typical	Typical	Typical	Typical	Typical	Typical
Sale Price		$30,000	$90,000	$70,000	$130,000	$215,000	$140,500	$140,500
Size (SF)	5,053 to 120,792	6,098	9,583	6,098	16,117	30,492	45,564	45,520
Price/Square Foot		$4.92	$9.39	$11.48	$8.07	$7.05	$3.08	$3.09
ADJUSTMENTS								
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjusted Price/Foot		$4.92	$9.39	$11.48	$8.07	$7.05	$3.08	$3.09
Cond/Terms								
Adjusted Price/Foot		$4.92	$9.39	$11.48	$8.07	$7.05	$3.08	$3.09
Market (Time) Adj.		-	-	-	-	-	-	-
Adjusted Price/Foot		$4.92	$9.39	$11.48	$8.07	$7.05	$3.08	$3.09
Location		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Zoning		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Size		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Utilities		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Shape/Topography		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Frontage/Access		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Other		-	-	-	-	-	-	-
ADJUSTED VALUE		**$4.92**	**$9.39**	**$11.48**	**$8.07**	**$7.05**	**$3.08**	**$3.09**
Net Adjustment		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Range of Values	**$3.08**	**To**	**$11.48**
Mean		**$6.73**	

Land Value

Analysis & Conclusions

The adjustment is typically applied through either quantitative or qualitative analysis, or a combination of the two. Quantitative adjustments are often developed as dollar percentage amounts and are most creditable when there is sufficient data to perform a paired sales or statistical analysis. While we percent numerical adjustments in Sales Adjustment Grid, they are based on qualitative adjustment rather than empirical data as there is not sufficient data to develop a sound quantified estimate within a reasonable degree of confidence. Our qualitative adjustments are based on ratings of inferior, similar or superior and/or a scale calibrated in five percent increments with a minor adjustment considered to be five percent and substantial adjustment considered to be over 25%.

Adjustments are based on our rating of each comparable sale in relation to the subject. If the comparable is superior to the subject the sales price is adjusted downward to reflect the subject's relative inferiority; if the comparable is in inferior, its price is adjusted upward.

Price variances are typically attributed to the following factors: property rights, terms of sale, conditions of sale, date of sale, location, and physical characteristics. A discussion of these factors and how each property compares to the subject is as follows.

The subject and all cited comparable sales share several characteristics. They are all located in the immediate area north of Twin Falls and east of Jerome, Idaho, and have similar type of commercial uses. These commonalities justify inclusion of these transactions in this analysis. Often there are differences between the property appraised ("the subject") and a comparable sale. When the dissimilarity affects value, an adjustment to the sale price of the comparable is necessary.

<u>Property Rights</u> Agreements or laws create partial interests in real estate. A deed restriction or life estate usually reduces rights and value. If the subject is not affected by these limitations and a comparable is, then the comparable's sale price needs an upward property rights adjustment. In another situation, unfavorable leases eliminate a landlord's right to collect market rent, so the real estate sells for a below-market price. If the property appraised has no lease adversities and a comparable does have unfavorable leases, then the comparable requires upward adjustment. Unless stated otherwise, property rights are virtually the same for the subject and all cited conveyances. Hence, no adjustments are necessary for this element of comparison.

<u>Financing</u> Sub-market financing is a common technique used to finance the acquisition of real estate during periods of high interest rates. When non-market financing is used, the financing may be favorable to the buyer so the sale price is inflated. The escalated price can be envisioned as a composite of the worth of real estate plus the value of advantageous financing. Since value created by financing is not real property, the contribution of the advantageous financing must be deducted from total sale price to derive market value for just the realty. On the opposite hand, there are instances where the buyer assumes unfavorable financing, so the sale price is diminished. In the latter case, an upward adjustment must be applied to the sale price of the comparable thusly deriving the market value of the real estate. Unless a statement is made to the contrary, non-market financing was not used to acquire any comparable sale cited in this report. Therefore, no compensations are needed for financing.

<u>Conditions of Sale</u> An adjustment for conditions of sale is necessary when a criterion of market value is violated. It could compensate for unusual buyer or seller motivations. For instance, when a seller gives a buyer an atypical rebate, discount, credit, or something of value to induce a conveyance, the sale price is usually inflated. In this case, it is logical to deduct the worth of the giveback from the sale price. Residual sums represent the property's market value. In another scenario, a buyer may pay a premium to facilitate an assemblage. In this instance, the premium must be deducted from the sale price to derive market value for that conveyance. Unless stated otherwise, no adjustments are necessary for conditions of sale.

<u>Expenditure Post Sale</u> This is a situation when a buyer is compelled to invest additional money into a property immediately after acquisition for some atypical reason. Post-sale invested sums are appropriately added to a comparable's sale price thereby producing an adjusted sale price. Examples are demolition costs or building-code compliance costs. Unless a contrary statement is made, no adjustments are necessary for post sale expenditures.

Market Conditions Adjustments for market conditions are commonly referred to as time adjustments, but this is misleading. Value does not change due to the passage of time; sometimes it remains stable. Often real estate values fluctuate due to changes in supply and demand, interest rates, employment, or inflation. This type adjustment compensates for change in market conditions between a sale's transaction date and a later point in time. No date of sale adjustments were applied to the sales.

Location Each property was rated to the subject for locational aspects such as value growth potential, access, and general desirability. All the sales are located in the same subdivision as the subject properties, hence no consideration is needed for the similar sales.

Physical Attributes A myriad of physical characteristics can affect land value. Some examples are lot size, shape, site orientation, availability of utilities, and soil conditions. Those sales with superior physical qualities warrant downward adjustment and vice versa. All sales were considered to be similar compared to the subject property.

Value Indication

The appraisers are well aware the cited conveyances are less than ideal comparisons. However, sales of more comparable properties were not discovered during our research. Selected transactions were chosen for analysis because they are all similar size, moderately priced, commercial parcels like the subject.

This adjusted data varies from $3.08 to $11.48 per square foot. All sales are similarly comparable to the parcels that are paved and/or vacant. The paved lots would be estimate at a value slightly below the central tendency of value at $5.00 per square foot because of their asphalt paving. The vacant lots with no paving would be below the central tendency of value on the lower end at estimated $3.00 per square foot. The parcels associated with the Rock Creek rim and steep train would be estimated at only a fraction of the comparable sales price range at $0.50 because of their access, shape, steep terrain, and questionable building sites.

After consideration of all factors pertaining to and influencing land values, the following is selected as the most fitting value indication for the subject parcel as though vacant. Accordingly,

Subject Properties						
#	Address	Parcel Number	Square Feet	Price Per Sq. Ft.	Indicated Value	Rounded Value
1	SW Corner of 2nd Ave E and Hansen St	RPT000108700CA	8,015	$4.50	$36,068	$35,000
2	SW Corner of 3rd Ave S and Idaho St	RPT0001133010B	21,780	$4.50	$98,010	$100,000
3	341 Hansen St S	RPT0001133017A	18,731	$4.50	$84,289	$85,000
4	249 4th Ave S	RPT0001133025A	12,502	$4.50	$56,259	$55,000
5	135 5th Ave S	RPT0001145011A	28,140	$4.50	$126,630	$125,000
6	229 2nd Ave N	RPT0001085008A	21,867	$4.50	$98,402	$100,000
7	241 2nd Ave N	RPT0001085006A	6,229	$4.50	$28,031	$30,000
8	250 5th Ave S	RPT0001155000A	21,344	$4.50	$96,048	$95,000
9	South of Minidoka Ave and Hansen St	RPT00107166005	56,192	$4.50	$252,866	$250,000
10	244 Railroad Ave S	RPT4401001018A	8,320	$3.00	$24,960	$25,000
11	237 Maxwell Ave	RPT4401001035A	5,053	$3.00	$15,159	$15,000
12	SE Corner of 5th Ave W and Gooding St	RPT0001153001D	18,600	$4.50	$83,700	$85,000
13	SW Corner of 5th Ave W and Shoshone St	RPT0001153007A	12,545	$4.50	$56,453	$55,000
14	151 Maxwell Ave	RPT4401001028A	10,019	$3.00	$30,056	$30,000
15	260 Maxwell Ave	RPT00107166613	6,186	$0.50	$3,093	$3,000
16	247 Bell St	RPT00107166620	120,792	$0.50	$60,396	$60,000
17	274 Victory Ave	RPT00107171241	77,667	$0.50	$38,834	$40,000

Income Approach

Introduction

The Income Approach to value is an appraisal technique "which converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate". Land leases in the area are rare and seldom used for properties similar to the subject properties, hence this approach is omitted from this appraisal report.

Reconciliation

All salient aspects of the subject property have been presented and discussed. Zoning uses, requirements and limitations were considered. If part of the scope of work, the subject's Highest and Best Use was determined. Appropriate valuation techniques were processed. Applicable approaches produced the following results:

This appraisal was assigned to form an opinion of market value of the proposed subject property for sole use of Urban Renewal Agency of Twin Falls. The Sales Comparison (Market) Approaches were completed with each approach having strengths and weaknesses. Since the subject properties do not have any building improvements, hence the Cost Approach is not applicable in this appraisal problem. Land leases in the area are rare and seldom used for properties similar to the subject properties, hence the Income Approach is omitted from this appraisal report.

The Income Approach has a weakness in estimating the gross income and expenses of the subject property based on the quantity and quality of components on the subject. Another weakness of this approach is the lack of reliable cash rental data for commercial market on a long term cash basis. Also, cap rates derived from the market can vary significantly. Small changes to the cap rate typically equate to substantial changes in the estimate of market value, making this approach quite volatile. A strength of this approach is that the subject and sales are analyzed in a consistent manner.

The Sales Comparison (aka Market) Approach has strengths in that it is a reflection of how the typical buyer views the overall market as properties are compared. The sales used are considered to be the best representation at the time of the appraisal. A weakness in the Sales Comparison Approach is the makeup of each sale may be different in the type, number, quality and utility of the improvements and land base. These differences are not well defined and may be difficult to isolate. The Sales Comparison Approach is such that adjustments are made for the differences in land classes, acreages and improvements.

After considering the current market conditions in the commercial area of Twin Falls, Idaho, our opinion of the market value of the leased fee estate property of the described subject property as of September 28, 2020, the date of inspection, was:

Subject Properties				
#	**Address**	**Parcel Number**	**Square Feet**	**Rounded Value**
1	SW Corner of 2nd Ave E and Hansen St	RPT000108700CA	8,015	$35,000
2	SW Corner of 3rd Ave S and Idaho St	RPT0001133010B	21,780	$100,000
3	341 Hansen St S	RPT0001133017A	18,731	$85,000
4	249 4th Ave S	RPT0001133025A	12,502	$55,000
5	135 5th Ave S	RPT0001145011A	28,140	$125,000
6	229 2nd Ave N	RPT0001085008A	21,867	$100,000
7	241 2nd Ave N	RPT0001085006A	6,229	$30,000
8	250 5th Ave S	RPT0001155000A	21,344	$95,000
9	South of Minidoka Ave and Hansen St	RPT00107166005	56,192	$250,000
10	244 Railroad Ave S	RPT4401001018A	8,320	$25,000
11	237 Maxwell Ave	RPT4401001035A	5,053	$15,000
12	SE Corner of 5th Ave W and Gooding St	RPT0001153001D	18,600	$85,000
13	SW Corner of 5th Ave W and Shoshone St	RPT0001153007A	12,545	$55,000
14	151 Maxwell Ave	RPT4401001028A	10,019	$30,000
15	260 Maxwell Ave	RPT00107166613	6,186	$3,000
16	247 Bell St	RPT00107166620	120,792	$60,000
17	274 Victory Ave	RPT00107171241	77,667	$40,000

Exposure Time

Terminology abounds in the real estate appraisal profession. Two related but different concepts that are often confused are Exposure Time and Marketing Time. USPAP specifically addresses the confusion.

Term	Definition	Explanation
Exposure Time (Statement 6)	*"The estimated length of time the property interest being appraised would have been offered on the market* ***prior*** *to the hypothetical consummation of a sale at market value on the effective date of the appraisal".*	Backward looking, ends on the effective value date. Based on factual, past events
Marketing Time (Advisory Opinion 7)	*"An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value during the period immediately after the effective date of the appraisal".*	Forward looking, starts on the effective value date. A forecast based on expectancies of future occurrences.

Marketing time and exposure time are both influenced by price. That is, a prudent buyer could be enticed to acquire the property in less time if the price were less. Hence, the time span cited below coincides with the value opinion(s) formed herein.

USPAP Standard rule 1-2(c) (iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value. In the recent past, the volume of competitive properties offered for sale, sale prices, and vacancy rates have fluctuated little. Sale concessions have not been prevalent. In light thereof, an estimated exposure time for the subject is 6 to 18 months assuming competitive pricing and prudent marketing efforts.

Certification

The appraisers signing this report make the following certifications to the best of their knowledge and belief.

- The statements of fact contained in this report are true and correct.

- Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- The appraisers have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

- The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.

- This engagement is not contingent upon developing or reporting predetermined results.

- Compensation paid to the appraisers is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

- Reported analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP)

- A statement regarding observation of the subject property by each appraiser is listed below. None of the appraisers is a professional property inspector. Furthermore, none of the appraisers has formal training in the use of tools or instruments as part of a professional property inspection. Observations by one or more of the appraisers, if any, was limited to just those physical features and attributes that are not hidden or obscure in any fashion by any object or weather condition. None of the appraisers used any tools or instruments, beyond those typically used by appraisers to probe, study, investigate, detect, or discover any physical feature or attribute that was not clearly visible on the date the property was observed.

Appraisers	Observations
Travis Klundt, Dave McKinlay	Exterior Only Exterior Only

- No one provided significant real property appraisal assistance to the appraiser(s) signing this certification.

- The appraisers have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report during the three-year period immediately preceding acceptance of this assignment.

Certification

- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- After careful consideration of all factors pertaining to and influencing value, the data, and analysis thereof firmly supports the following final value opinion(s) for the subject property as of September 28, 2020

Subject Properties				
#	Address	Parcel Number	Square Feet	Rounded Value
1	SW Corner of 2nd Ave E and Hansen St	RPT000108700CA	8,015	$35,000
2	SW Corner of 3rd Ave S and Idaho St	RPT0001133010B	21,780	$100,000
3	341 Hansen St S	RPT0001133017A	18,731	$85,000
4	249 4th Ave S	RPT0001133025A	12,502	$55,000
5	135 5th Ave S	RPT0001145011A	28,140	$125,000
6	229 2nd Ave N	RPT0001085008A	21,867	$100,000
7	241 2nd Ave N	RPT0001085006A	6,229	$30,000
8	250 5th Ave S	RPT0001155000A	21,344	$95,000
9	South of Minidoka Ave and Hansen St	RPT00107166005	56,192	$250,000
10	244 Railroad Ave S	RPT4401001018A	8,320	$25,000
11	237 Maxwell Ave	RPT4401001035A	5,053	$15,000
12	SE Corner of 5th Ave W and Gooding St	RPT0001153001D	18,600	$85,000
13	SW Corner of 5th Ave W and Shoshone St	RPT0001153007A	12,545	$55,000
14	151 Maxwell Ave	RPT4401001028A	10,019	$30,000
15	260 Maxwell Ave	RPT00107166613	6,186	$3,000
16	247 Bell St	RPT00107166620	120,792	$60,000
17	274 Victory Ave	RPT00107171241	77,667	$40,000

Dave McKinlay
Certified General Appraiser-71
McKinlay & Klundt Appraisal Co.
License Expiration Date: 04/08/21

Travis Klundt
Certified General Appraiser-2212
McKinlay & Klundt Appraisal Co.
License Expiration Date: 01/13/21

Digital Images

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Digital signatures may be affixed to this document. In this document, a digital signature is a reproduction of the appraiser's actual signature.

Technical Qualifications

Dave McKinlay

Education:

B.S. Degree, Animal Science, Agronomy, Ag. Econ.
Brigham Young University, 1970

State of Idaho Real Estate License (inactive)
State of Idaho, 1990

IDAHO CERTIFIED GENERAL APPRAISER CGA-71

Specialized Background:

- College courses in Farm Appraisal and Valuation
- Workshops and seminars on Appraisal, Irrigation and Ag Credit sponsored by the Federal Land Bank of Spokane
- Seminars and courses sponsored by the American Society of Farm Managers and Rural Appraisers and American Institute of Real Estate Appraisers including:
  - Report Writing and Eminent Domain Seminars
  - Litigation Valuation Seminar
  - Fundamentals of Rural Appraisal--A-10
  - Principles of Rural Appraisal--Course A-20
  - Code of Ethics and Standards--A-12 (Up-to-date)
  - Certification School--A-45
  - Eminent Domain & Income Approach Seminar
  - Residential Appraisal - Course 3 (material)
  - USPAP Revisions (Up-to-date)
  - Ranch Appraisal Seminar
  - Dairy Valuation Seminar
  - Agricultural Chattel Appraisal Seminar
  - Rural Residential Appraisal Seminar
  - Rural Business Valuation Seminar
  - Advanced Rural Appraisal--Course A-30
  - Conservation Easements Seminar

- Numerous other related courses, seminars and personal study
- Real Estate Essentials - College of Southern Idaho, 1990
- Real Estate Practices - College of Southern Idaho, 1990

Appraisal Experience:

- Designated to perform appraisals for the Federal Land Bank of Spokane - October, 1970
- Sixteen years of appraisal and credit experience with the Land Bank system involving management, training, and appraisal review functions
- Independent fee appraisals for FmHA (FSA), FCS, Farmer Mac, various private concerns, commercial banks, attorneys, and financial institutions
- Over 40 years experience in the appraisal field
- I am a member of the American Society of Farm Managers and Rural Appraisers

Area and Type of Appraisals:

-Performed appraisals in Idaho, Montana, Oregon, Washington, Utah, and Nevada with extensive experience in Southern Idaho on farms, ranches, agri-business, residential and commercial properties

Technical Qualifications

Travis Klundt

Education:

B.S. Degree, Criminal Justice Administration
Boise State University, 2003

IDAHO CERTIFIED GENERAL APPRAISER CGA-2212
IDAHO REAL ESTATE APPRAISAL BOARD MEMBER 08/10 To 08/12

Specialized Background:

- Seminars and courses sponsored by the Appraisal Institute, American Society of Farm Managers and Rural Appraisers and American Institute of Real Estate Appraisers, and Institute of Real Estate Appraisal Studies including:

Appraisal Institute-General Appraiser Income Capitalization I
Appraisal Institute-General Appraiser Income Capitalization II
Appraisal Institute-General Appraiser Market Analysis and Highest & Best Use
Appraisal Institute-Advance Report Writing and Valuation Analysis
Appraisal Institute-Advance Sales and Cost Approach
Appraisal Institute-Advance Income Capitalization
Appraisal Institute-Advance Applications
Appraisal Institute-Appraisal Challenges in Declining Markets
Fundamentals of Rural Appraisal--A-100
Intermediate Approaches to Value of Rural Appraisal--Course A-200
Direct Income Capitalization A-270
General Appraiser Site Valuation and Cost Approach
1031 Exchange Analysis
USPAP
USPAP Update
Institute of Real Estate Appraisal Studies-Fundamentals of Real Estate Appraisals
Institute of Real Estate Appraisal Studies-- Residential Appraisal Techniques I
Institute of Real Estate Appraisal Studies-- Highest and Best Use
Uniform Appraisal Standards for Federal Land Acquisitions
Uniform Appraisal Dataset from Fannie Mae and Freddie Mac
Uniform Appraisal Data Aftereffects: Efficiency vs Obligation
Valuation of Conservation Easements and Other Partial Interests in Real Estate
The Valuation of Intangible and Non-Financial Assets

- Numerous other related courses, seminars and personal study

Appraisal Experience:

- Fifteen years of appraisal experience and appraisal review functions
I am a member of the Appraisal Institute and in the process of obtaining MAI.

Area and Type of Appraisals:

-Performed appraisals and selling in Idaho with experience in Southern Idaho on farms, ranches, agri-business, residential and commercial properties.

Client List:

-Wells Fargo, US Bank, Key Bank, First Federal Savings Bank, Zions Bank, D.L. Evans Banks, Farmers National Bank, Bank of Commerce, Citizens Community Bank, Bank of Idaho, Banner Bank, Farm Service Agency, Agri-Access, MetLife Investments, Farm Service Agency, Local City Governments, Intermountain Community Bank, Private Attorneys & Accountants, Estate Planning and numerous more not mentioned.

Twin Falls County Tax Sheets with Property Address

Parcel Number	Owner Name	Property Address
RPT0001085006A	URBAN RENEWAL AGENCY FOR THE	241 2ND AVE N 83301
RPT0001085008A	URBAN RENEWAL AGENCY FOR THE	229 2ND AVE N 83301
RPT000108700CA	URBAN RENEWAL AGENCY OF THE	159 MAIN AVE E 83301
RPT0001133010B	URBAN RENEWAL AGENCY OF THE	0 0
RPT0001133017A	URBAN RENEWAL AGENCY FOR THE	341 HANSEN ST S 83301
RPT0001133025A	URBAN RENEWAL AGENCY FOR THE	0 0
RPT0001145011A	URBAN RENEWAL AGENCY OF THE	135 5TH AVE S 83301
RPT0001153001D	URBAN RENEWAL AGENCY OF THE	0 0
RPT0001153007A	URBAN RENEWAL AGENCY OF THE	0 0
RPT0001155000A	URBAN RENEWAL AGENCY OF THE	0 0
RPT00107166005	URBAN RENEWAL AGENCY OF THE	0 0
RPT00107166613	URBAN RENEWAL AGENCY OF THE	260 MAXWELL AVE 83301
RPT00107166620	URBAN RENEWAL AGENCY OF THE	247 BELL ST 83301
RPT00107171241	URBAN RENEWAL AGENCY OF THE	274 VICTORY AVE 83301
RPT4401001018A	URBAN RENEWAL AGENCY OF THE	244 RAILROAD AVE 83301
RPT4401001028A	URBAN RENEWAL AGENCY OF THE	151 MAXWELL AVE 83301
RPT4401001035A	URBAN RENEWAL AGENCY OF THE	0 MAXWELL AVE 83301

McKinlay & Klundt Appraisal Company

P.O. Box 5698
Twin Falls, Idaho 83303
(Bus) (208) 734-5522
(Fax) (208) 734-9755

ENGAGEMENT LETTER

DATE OF AGREEMENT:

August 26, 2020

PARTIES TO AGREEMENT:

Client:

Urban Renewal Agency
Nathan Murray, URA Executive Director
203 Main Avenue East
Twin Falls, Idaho 83301

Appraisers:

Dave McKinlay, CGA-71
Travis Klundt, CGA-2212
McKinlay & Klundt Appraisal Co.
P.O. Box 5698
Twin Falls, Idaho 83301

Urban Renewal Agency, via Nathan Murray, Executive Director, hereby engages McKinlay & Klundt Appraisal Company to complete an appraisal assignment as follows.

PROPERTY IDENTIFICATION

Property Address	Parcel ID
SW Corner of 2nd Ave E and Hansen St	RPT000108700CA
260 2nd Avenue E	RPT00010880138
SW Corner of 3rd Ave S and Idaho St	RPT0001133010B
341 Hansen St S	RPT0001133017A
249 4th Ave S	RPT0001133025A
135 5th Ave S	RPT0001145011A
229 2nd Ave N	RPT0001085008A
241 2nd Ave N	RPT0001085006A
250 5th Ave S	RPT0001155000A
South of Minidoka Ave and Hansen St	RPT00107166005
244 Railroad Ave S	RPT4401001018A
237 Maxwell Ave	RPT4401001035A
260 Maxwell Ave	RPT00107166613
247 Bell St	RPT00107166620
SE Corner of 5th Ave W and Gooding St	RPT0001153001D
SW Corner of 5th Ave W and Shoshone St	RPT0001153007A
151 Maxwell Ave	RPT4401001028A
274 Victory Ave	RPT00107171241

PROPERTY TYPE

This appraisal is for property that is commercial land with minor building improvements and one professional office building.

INTEREST VALUED

The legal property appraised will be Fee Simple.

INTENDED USERS

Urban Renewal Agency

Note: no other users are intended by the Appraisers. Appraisers shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

INTENDED USE

The intended use is to assist Client in decisions of ownership.

TYPE OF VALUE

The appraisal will provide a Market Value as defined by the appraisal requirements.

DATE OF VALUE

The property will be valued as of the date of inspection.

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS

Typical assumptions anticipated.

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

The Code of Professional Ethics and Standards of Professional Appraisal Practice.

ANTICIPATED SCOPE OF WORK

Site Visit

The appraisers will complete onsite observations of the property site, interior and exterior observations of any improvements, if applicable.

Valuation Approaches

The appraisal will encompass the Sales Comparison Approach/Cost Approach/Income Approach

Note: Appraisers shall use all approaches necessary to develop a credible opinion value.

APPRAISAL REPORT

Report option

The appraisal will be a Narrative Report.

CONTACT FOR PROPERTY ACCESS

Name: Nathan Murray 208-735-7240 or 208-731-0291

ADDITIONAL DOCUMENTATION

In order to complete this appraisal, the following information will be needed prior to beginning the appraisal process:

Legal owners' name, addresses and ownership percentages, if applicable
Correct and complete address of the property to be appraised
Projected income and expense information- 1year, 3 years preferable if applicable
Copy of all lease agreements, if any
Complete legal description for land
Title commitment that may exist

ESTIMATED DELIVERY DATE

October 15, 2020 or before.

DELIVERY METHOD

Electronic Copy

PAYMENT TO APPRAISER

The base fee for the appraisal will be $10,000.00, due at the time of completion.

PROPOSED IMPROVEMENTS

If the property appraised consists of proposed improvements, Client shall provide to McKinlay & Klundt Appraisal plans, specifications, costs and/or other documentation sufficient to identify the extent and character of the proposed improvements.

PROPERTIES UNDER CONTRACT FOR SALE

If the property appraised is currently under contract for sale, client shall provide McKinlay & Klundt a copy of said contract including all addenda.

CONFIDENTIALITY

McKinlay & Klundt Appraisal Company will not provide a copy of the written Appraisal Report to, disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than the Client, unless Client authorizes such in writing, except as stipulated in the Confidentiality Section of the Ethics rule of the Uniform Standards of the Professional Appraisal Practice (USPAP).

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to McKinlay & Klundt Appraisal's delivery of the Appraisal Report upon written notification to the Appraisers. Client shall pay Appraisers for work completed on the assignment prior to Appraiser's receipt of written cancellation notice at the rate of $100.00 per hour, plus expenses, with a minimum charge of $500.00.

NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between McKinlay and Klundt Appraisal Company or the Client and any third party, or any cause of action in favor of the third party. This agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to any third parties identified herein.

USE OF PARTNERS

McKinlay & Klundt Appraisal Company may involve either partner (Dave McKinlay or Travis Klundt) in completion of the assignment, unless otherwise agreed by the parties.

TESTIMONY AT COURT OR OTHER PROCEDDINGS

If the Appraisers are subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraisers for their appearance time, preparation time, travel time, and document preparation time at the regular hourly rate ($250.00 per hour) then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraisers will be given reasonable advanced notice, and reasonable additional time for court preparation.

APPRAISER INDEPENDENCE

Appraisers cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraisers cannot guarantee the outcome of the assignment in advance. Appraisers cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by the Client or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

EXPIRATION OF AGREEMENT

This agreement is valid only if signed by both Appraiser and Client within 10 days of the Date of Agreement.

GOVERNING LAW & JURSIDICTION

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice law rules.

By Client:	By Appraiser:
Nathan W. Murray	Travis Klundt
(Signature)	(Signature)
Nathan Murray, Ex. Director of URA	Travis Klundt
(Printed Name)	(Printed Name)
8/31/2020	
Date	

Copyright Protection

The descriptions, analyses, and conclusions stated herein are intended for the exclusive use of our client, Urban Renewal Agency , and other explicitly identified intended users, solely for the intended use stated in this document.

McKinlay & Klundt Appraisal Company retains all rights, title, and interests in all trademarks, trade names, trade secrets, data, conclusions, opinions, valuations, and other information included in, arising out of, or in any way related to this appraisal.

No person or entity shall be entitled to break down, strip out, mine, or disseminate any component or portion of this report, including, but not limited to any valuations, opinions, data compilations, or conclusions.

This report and all its contents is a culmination of intellectual and professional experiences, education, personal investigations, and know-how, which shall at all times remain the property of McKinlay & Klundt Appraisal Company, its sole owner.

End of Report