THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Agenda

Monday, August 14, 2017, 12:00 PM

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

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

1) Confirmation of Quorum/Call Meeting to Order

2) Consideration of Amendment(s) to the Agenda

3) Consent Calendar

   a) Request to approve: 1) Minutes for July 10, 2017 meeting; 2) August 2017 Financial Report; and 3) August 2017 Accounts Payable.

4) Reports/Updates

   a) Executive Director's Report by Nathan Murray.

   b) Main Avenue Project Update by Perrin Robinson, CH2M

5) Items of Consideration

   a) Public Hearing for the FY 2017-18 budget and Consideration of a request to adopt the budget in the amount of $15,530,275.

      Purpose: Action By: Nathan Murray

   b) Consideration of a request by Gemstone Climbing for reimbursement of $105,000 for cost incurred as a result of over excavation on the project located at 135 5th Ave South.

      Purpose: Action By: Nathan Murray

   c) Consideration of a request to sign a Purchase and Sale Agreement for the property located at 851 Pole Line Road.

      Purpose: Action By: Nathan Murray

6) General Input/Announcements - Public/Staff

7) Upcoming Meeting(s)
   Monday, September 11, 2017 @ 12:00 p.m.

8) Adjournment

   a) Adjourn to Executive Session 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency. (Meeting will not be returning to open session.)

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

THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

Urban Renewal Agency
Minutes

Monday, July 10, 2017, 12:00 PM

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

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

1) Confirmation of Quorum/Call Meeting to Order

Present:	Gary Garnand, Neil Christensen, Brad Wills, Suzzane Cawthra, Dan Brizee, Perri Gardner, Dexter Ball
Absent:	None
Also Present:	Nathan Murray, Jesse Schuerman, Brent Hyatt, Lorrie Bauer, Firtz Wonderlich, Renee Caraway-Johnson, City Council Liaison Ruth Pierce, Don Hall, Meghan Conrad, Elam & Burke (via phone); Anthony Guho & Rob Cloninger, Guho Corp.; Perrin Robinson, CH2M;

Chairman Brizee called the meeting to order at 12:01 p.m. A quorum was present.

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

3) Consent Calendar

a) Request to approve: 1) Minutes for June 12, 2017 meeting; 2) July 2017 Financial Report; and 3) July 2017 Accounts Payable.

MOTION: Gary Garnand moved to accept the consent agenda. Neil Christensen seconded the motion. Roll call vote showed all members present voted. 0 to 0.

4) Reports/Updates

a) Executive Director's Report by Nathan Murray
Nathan introduced and welcomed the new board member, Suzzane Cawthra. He then explained the terms for the First Federal line of credit that was approved last month has been revised by First Federal and will be discussed during the meeting in August.

b) Main Avenue Project Update by Mark Bowen and Perrin Robinson, CH2M
Mark Bowen introduced Perrin Robinson as the new owner's representative contact due to Paul Johnson's departure from CH2M. Perrin referenced the Monthly Project Progress Update that was included with the meeting packet and delivered a summary. He added the asphalt was going down that day and everything is looking good. The first block, Shoshone to Gooding, will be substantially complete at the end of the week with minor details remaining. Perrin added it has been acknowledged that the brick laying is taking longer than estimated and that efficiency will increase. Trees will be planted July 11th. Representatives from Guho were present for questions. Rob Cloninger stated that due to the extreme heat, the contractors

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begin earlier in the day and stay hydrated and provisions are in place for the new landscaping to keep everything alive.

Chairman Brizee shared an update on Hansen St. South and the plaza stating the final drawings will be received July 7th then it will be approximately two months before construction can begin. Hansen Street will be completed first due to City Hall opening the first part of October, then the plaza which will be completed in the Spring. Work to begin on the south side of Shoshone on July 17th.

5) Items of Consideration

a) Annual Election of Officers (Chairman, Vice Chairman, and Secretary).
Nathan explained the Statue organizing the Urban Renewal District requires an election of officers once a year. July is the month in which the new term begins and the TFURA elects officers. There is no particular process or limitation on current officer's continuance other than their own interest and other member's willingness to appoint them. Everyone was advised to let it be known if they were interested in a position.

MOTION: Perri Gardner moved to retain Dan Brizee, Dexter Ball, and Neil Christensen in their current leadership positions. Gary Garnand seconded the motion. Roll call vote showed all members present voted in favor of the motion.

b) Consideration of a request to adopt the preliminary budget amount of $15,530,275 and schedule a public hearing to take place during the scheduled August 14th meeting to take public input.
Nathan Murray introduced the agenda item then Brent Hyatt reviewed the proposed budget and explained how the numbers were decided. Discussion ensued.

MOTION: Dexter Ball moved to approve the preliminary budget amount of $15,530,275 to schedule a public hearing. Gary Garnand seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

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

Nathan introduced the agenda item and explained what assistance is being asked of the agency with the maximum cost of $350,000.
Tyler Davis-Jeffers, with Summit Creek Capital, explained the project will have some commercial tenants on the first floor and Class A office space on the top floor. They are hoping to start construction in the coming month and businesses to open Spring 2018. Projecting a sketch of the proposed project, Mr. Davis-Jeffers shared the building at 219 Shoshone would be removed and the space would then be improved into a usable area for the future businesses. Discussion ensued.

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MOTION: Perri Gardner moved to approve the agreement between the Twin Falls Urban Renewal Agency and The Historic Ballroom Project, LLC for the project at 205 and 219 Shoshone Street. Gary Garnand seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

d) Consideration of a request to initiate the sale of Twin Falls Urban Renewal Agency owned property located at 851 Pole Line Road.
Nathan explained the history and request. Two offers were received from our request for proposal advertised last May: 1) Alturas Investments in the amount of 1.8M; and 2) Eagle Financial in the amount of $2M. The income model appraisal that was completed last year was $2.26M. If the board wants to continue with sale process, the current tenant and associated parties of the subject property will have a chance to respond. If the property is sold, the proceeds would go to the General Fund. Discussion ensued.

MOTION: Brad Wills moved to initiate the sale of the Urban Renewal Agency's building located at 851 Pole Line Road. Neil Christensen seconded the motion. Roll call vote showed all members present voted. Approved 7 to 0.

6) **General Input/Announcements - Public/Staff**
Russ Crouse, resident of Twin Falls, explained when traveling from the west into the City, upon reaching 93 there is an area that is in terrible condition and is very unsightly for a new person coming to town and they are not getting a good view of it. He said he has explained this area to other organizations within the city and no one can do anything about it, so he wanted to inform the Agency in case there was something they could do. Board Member Brad Wills replied that the group Twin Falls Futures believes industry will continue to populate that area and spruce it up into the future.

7) **Upcoming Meeting(s)**
Next meeting is scheduled for August 14, 2017.

8) **Adjournment**
The meeting adjourned at 12:55: PM.

Lorrie Bauer, Recording Secretary

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

		Jul 17
Ordinary Income/Expense		
Income		
Washington Fed. Bond Proceeds		3,099,861.20
Investment Income		5,802.97
Property Taxes		4,753,468.76
Rental Income		73,662.98
Total Income		7,932,795.91
Gross Profit		7,932,795.91
Expense		
RAA 4-1		
Main Ave.	369,841.34	
Total RAA 4-1		369,841.34
Bond Trustee Fees		2,000.00
Debt Payments - Interest		36,153.40
Debt Payments - Principal		1,040,000.00
Insurance Expense		3,022.50
Meeting Expense		115.00
Real Estate Exp. - Call Center		3,702.22
Real Estate Exp. - Other		209.91
Total Expense		1,455,044.37
Net Ordinary Income		6,477,751.54
Net Income		**6,477,751.54**

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
October 2016 through July 2017

	Oct '16 - Jul 17	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Wash. Fed. LOC	2,000,000.00	5,099,861.00	-3,099,861.00	39.2%
Washington Fed. Bond Proceeds	3,099,861.20	0.00	3,099,861.20	100.0%
Line of Credit Adv. - Clif Bar	809,780.34	606,000.00	203,780.34	133.6%
Investment Income	42,908.69	9,500.00	33,408.69	451.7%
Other Income	305.00			
Property Taxes	9,803,663.47	9,311,977.00	491,686.47	105.3%
Rental Income	373,648.25	456,483.00	-82,834.75	81.9%
Total Income	16,130,166.95	15,483,821.00	646,345.95	104.2%
Gross Profit	16,130,166.95	15,483,821.00	646,345.95	104.2%
Expense				
RAA 4-1				
Goold Parking Lot	4,750.00			
Main Ave.	1,252,218.02			
Rogerson Building	10,281.80			
Downtown Development	11,393.13			
RAA 4-1 - Other	765.00	9,082,615.00	-9,081,850.00	0.0%
Total RAA 4-1	1,279,407.95	9,082,615.00	-7,803,207.05	14.1%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	1,319,446.16	1,319,446.00	0.16	100.0%
Debt Pay. (Chobani) Principal	1,239,000.00	4,967,054.00	-3,728,054.00	24.9%
Total RAA 4-3 (Chobani)	2,558,446.16	6,286,500.00	-3,728,053.84	40.7%
RAA 4-4 (Clif Bar)	379,946.43	606,000.00	-226,053.57	62.7%
Bond Trustee Fees	5,000.00	5,000.00	0.00	100.0%
Community Relations & Website	150.00	1,000.00	-850.00	15.0%
Debt Payments - Interest	564,381.69	976,704.00	-412,322.31	57.8%
Debt Payments - Principal	1,040,000.00	1,040,000.00	0.00	100.0%
Dues and Subscriptions	850.00	2,300.00	-1,450.00	37.0%
Insurance Expense	6,045.00	6,045.00	0.00	100.0%
Legal Expense	31,677.35	30,000.00	1,677.35	105.6%
Management Fee	99,000.00	198,000.00	-99,000.00	50.0%
Meeting Expense	1,401.01	3,500.00	-2,098.99	40.0%
Miscellaneous	24.60	2,500.00	-2,475.40	1.0%
Office Expense	5.00	600.00	-595.00	0.8%
Prof. Dev.\Training	500.00	2,500.00	-2,000.00	20.0%
Professional Fees	9,774.30	100,000.00	-90,225.70	9.8%
Property Tax Expense	28,605.79	37,750.00	-9,144.21	75.8%
Real Estate Exp. - Call Center	55,597.40	153,400.00	-97,802.60	36.2%
Real Estate Exp. - Other	9,619.32	7,700.00	1,919.32	124.9%
Real Estate Lease	72,000.00	72,000.00	0.00	100.0%
Total Expense	6,142,432.00	18,614,114.00	-12,471,682.00	33.0%
Net Ordinary Income	9,987,734.95	-3,130,293.00	13,118,027.95	-319.1%
Other Income/Expense				
Other Income				
Transfers In	0.00	367,445.00	-367,445.00	0.0%
Transfers Out	0.00	-367,445.00	367,445.00	0.0%
Total Other Income	0.00	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	**9,987,734.95**	**-3,130,293.00**	**13,118,027.95**	**-319.1%**

Twin Falls Urban Renewal August 2017 Accounts Payable

Check #	Date	Paid Amount	Name	Account	Fund	Memo
3549	07/25/2017	1,040,000.00	Washington Federal	Debt Payments - Principal	General	Bond Payment due 8/1/2017 Acct. #4603726
3549	07/25/2017	23,887.50	Washington Federal	Debt Payments - Interest	General	Bond Interest due 8/1/2017 Acct. #4603726
3549	07/25/2017	12,265.90	Washington Federal	Debt Payments - Interest	General	Bond Interest due 8/1/2017 Series 2015C
3550	07/31/2017	3,378,264.52	Zions First National Bank	Zions #8616 - Excess Funds	Rev Alloc 4-3	To record property taxes received
3550	07/31/2017	251,192.24	Zions First National Bank	Zions #8617 - Excess Funds	Rev Alloc 4-4	To record property taxes received
3551	08/01/2017	30,791.49	Stock Construction Services, Inc.	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	Invoice # 2850-19
3552	08/09/2017	241.50	ACCO Engineered Systems	Real Estate Exp. - Call Center	Rental Fund	Repair RTU #5 / #1663200
3552	08/09/2017	362.25	ACCO Engineered Systems	Real Estate Exp. - Call Center	Rental Fund	Troubleshoot RTU #19 / #1667713
3553	08/09/2017	371.12	City of Twin Falls	Real Estate Exp. - Call Center	Rental Fund	Landscape Watering
3553	08/09/2017	99,000.00	City of Twin Falls	Management Fee	General	2017 Management Fee - 2nd half
3553	08/09/2017	3,436.40	City of Twin Falls	Main Ave.	Rev Alloc 4-1	Line Tap Fees #331 & #328
3554	08/09/2017	1,728.75	Commercial Property Maintenance	Real Estate Exp. - Call Center	Rental Fund	Landscaping Maintenance - July / #3008
3555	08/09/2017	2,325.00	Elam & Burke	Legal Expense	General	Consultation & Review / #169049
3556	08/09/2017	15,608.88	Emery, Inc.	Real Estate Exp. - Other	Rev Alloc 4-1	2nd Ave Parking Lot Chipseal / #4634
3557	08/09/2017	591,567.08	Guho Corporation	Main Ave.	Rev Alloc 4-1	Redevelopment Project / #04
3557	08/09/2017	958,263.84	Guho Corporation	Main Ave.	Rev Alloc 4-1	Redevelopment Project / #05
3558	08/09/2017	9.67	Idaho Power	Real Estate Exp. - Other	Rev Alloc 4-1	Power - 122 4th Av S (Park)
3558	08/09/2017	212.17	Idaho Power	Real Estate Exp. - Call Center	Rental Fund	Power - 851 Pole Line Road
3559	08/09/2017	352.00	J & L Sweeping Service, Inc.	Real Estate Exp. - Call Center	Rental Fund	Parking Lot Sweeping - July / #27567
3560	08/09/2017	15,331.34	JUB Engineers, Inc.	Main Ave.	Rev Alloc 4-1	2015 Main Av Utilities / #109722
3560	08/09/2017	21,038.54	JUB Engineers, Inc.	Main Ave.	Rev Alloc 4-1	2015 Main Av Utilities / #110384
3561	08/09/2017	450.00	K & G Property Management	Real Estate Exp. - Call Center	Rental Fund	Property Management - July / #3685
3562	08/09/2017	65,936.96	Otak	Main Ave.	Rev Alloc 4-1	Streetscape & Commons Imp / #71700202
3567	08/10/2017	200.00	Sawtooth Spraying Service	Real Estate Exp. - Other	Rev Alloc 4-1	Downtown Properties Weed Kill / #45185
3563	08/09/2017	625.00	Steele's Tree Service	Real Estate Exp. - Call Center	Rev Alloc 4-1	Trim trees, bushes & shrubs / #3348
3564	08/09/2017	118.00	The Gyros Shop	Meeting Expense	General	Lunch - 7/10 Meeting
3565	08/09/2017	500.00	Townsquare Media TwinFalls	Main Ave.	Rev Alloc 4-1	Project Announcements - June / #109778
3566	08/09/2017	1,250.00	Twin Falls Chamber of Commerce	Community Relations & Website	General	Magic Valley Legislatiave Tour / #22793
Wire Tran.	08/03/2017	4,068,403.23	Chobani Idaho, LLC	Debt Pay. (Chobani) Principal	Rev Alloc 4-3	Wire Transfer to pay LOC

Twin Falls Urban Renewal Agency
Main Avenue Redevelopment Project

Block 1 – Shoshone to Gooding, block is open to traffic and sidewalk dining, 08AUG2017

Block 2 – Gooding to Fairfield, block is open to traffic and installing landscaping, 08AUG2017

Block 3 – Shoshone to Hansen, installing underground utilities, 08AUG2017

Block 4 – Hansen to Idaho, asphalt pavement demolition, 08AUG2017

Prepared for:

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Monthly Report for URA Board Meeting August 14, 2017

Prepared by – Owner's Representative:

ch2m

Monthly Project Progress Update

Prepared for URA Board Meeting on August 14, 2017

Main Avenue Redevelopment Project

Summary of Progress This Period, July 10 to August 8, 2017

Construction Services by CM/GC – Guho Corp.

1. Main Ave. Block 1, Shoshone to Gooding:
   - Block was opened to traffic on Saturday July 15. City conducted ribbon cutting ceremony on Wednesday July 19.
   - Construction is substantially complete.
   - Light poles are being installed.
   - Need to install remainder of landscaping and street furnishings (e.g. benches, bike racks).

2. Main Ave. Block 2, Gooding to Fairfield:
   - Opened block to traffic on Friday August 4. City scheduled to conduct ribbon cutting ceremony on Wednesday August 9.
   - Installing landscaping and light poles.

3. Main Ave., Block 3, Shoshone to Hansen:
   - Poured concrete basement support wall in front of Twin Beans Coffee.
   - Street and sidewalk demolition completed.
   - Installing underground utilities.
   - Scheduled to pour concrete week of August 21.
   - Targeting completion latter part of September.

4. Main Ave., Block 4, Hansen to Idaho:
   - Closed to traffic on Monday August 8.
   - Concrete sidewalks sawcut for demolition.
   - Asphalt pavement demolition underway.
5. Main Ave., Block 6, Hansen (South side):
   - Installing water line.
   - Storm drain pipe to be installed week of August 14.
   - Targeting completion of Hansen latter part of September.

6. General Activities: Submittals processing as well as several Requests for Information (RFI's). Guho's "Procore" system is efficient with all submittals and RFI's being reviewed and approved electronically.

7. From prior report: Bids were received for the Main Ave. redevelopment project on 24MAR2017. The bids came in within the URA's budget. The Guaranteed Maximum Price (GMP) for the project, inclusive of the prior Landscape removal package and the Main Ave. redevelopment work was approved at Special URA Board meeting on 03APR2017. <u>The GMP totals $6,446,114.99 which is within the URA's budget of $6.5 million for the project.</u> The GMP includes a contingency of 5%, several allowances for undefined work, and Guho's CM/GC fee,

and all of the subcontracts for the work. The GMP is within several hundred dollars of the cost estimate at final design, which is a very good result. Most of the work has been awarded to Twin Falls area subcontractors and suppliers.

8. Refer to the separate weekly report updates from Guho which began in June 2017. These updates are now being distributed to merchants, City Council, URA Board each week by email to keep these groups up to date on the progress of construction.

9. Guho's progress payment for construction during July 2017 totaled $ $1,008,698.76. The total of progress payments to date less retainage (through July 31, 2017) is $2,081,375.19, which is 34% of the GMP total of $6,446,115. The total billed is appropriate for the in-progress work on 4.5 out of the 5.5 city blocks being demolished and reconstructed. Actual construction progress to date is greater, but the invoicing is for the month prior.

Materials Selection

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

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

11. Guho is being asked to price some of the materials necessary for the Commons project, such as the pavers, light poles and street amenities, in order to take advantage of possible savings. Otak and Starr are working to provide the quantities based on the latest design for Commons.
12. Samples of the street furnishings (e.g. bench, chair, and bicycle rack) were displayed in July 2017 on Block 1, Shoshone to Gooding, for project team and others to view. Minor adjustments made by Otak to bench and chair details for fabrication. Fifteen 6-foot benches and fifteen 4-foot benches being ordered. Bicycle racks will be installed at head of parking stalls in festival street areas rather than bollards.

Project Schedule

13. From prior reports: The project schedule information (block by block plan) was presented to the Project Advisory Committee (PAC) on December 21, 2016, and again on Feb. 16, 2017. The PAC representatives were very pleased to hear about the block by block phasing plan recommended by Guho. The overall sequencing approach was discussed at the meeting and approved by the PAC.

14. Construction work on the first block (Gooding to Shoshone) commenced on 17APR2017 as planned. All 6 blocks of the project will be substantially complete by 31OCT2017, with final completion in November 2017. This will be in time for the opening of the new City Hall. (Note that the Main Ave. work does not include the Commons project, which is a separate project being managed by the City and Starr.)

Design Progress

15. Final design documents for the construction phase are now complete.

16. Otak's Services During Construction are underway with review of materials submittals from Guho.

Basement Issues

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

Testing and Inspection

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

Budget

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

URA Topics

21. See prior report for an update on the flag display plan for Main Ave., continuing the Lions Club tradition for flag displays in 8 flag days per year. The Main Ave. project team has made progress on the sleeve details and locations. A plan is in place for their installation in front of each business as requested by the URA Board and City Council. Each sleeve will be capped and will be flush with the pavers.

22. The City and URA representatives met with several merchants on 02JUN2017 to listed to merchants' concerns about being kept up to date on the progress of construction and expediting the work as much as possible. As a result, progress reports are being emailed to merchants (and URA Board and City Council) each week. Traffic control signage is being improved. The City is making an effort to keep unauthorized persons from using parking spaces in the lots behind the businesses, to keep these lots as open as possible for visitors/shoppers.

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, August 14, 2017

To: Urban Renewal Agency of the City of Twin Falls

From: Brent Hyatt

Request:

Public Hearing for the FY 2017-18 budget and Consideration of a request to adopt the budget in the amount of $15,530,275.

Time Estimate:

N/A

Background:

The proposed budget has been published in the Times News and the public was invited to offer written or oral comments at today's meeting.

Approval Process:

Subsequent to any public input, a motion and approval by the Board will authorize the budget to be adopted.

Budget Impact:

Adoption implements a final budget for the agency's next fiscal year.

Regulatory Impact:

N/A

Conclusion:

The URA/City staff recommend approving the budget as proposed.

Attachments:

1. URA 2017-18 Budget

Urban Renewal Agency of the City of Twin Falls, Idaho
Budget Estimates
Fiscal Year October 1, 2017 through September 30, 2018

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

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, August 14, 2017

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray

Request:

Consideration of a request by Gemstone Climbing for reimbursement of $105,000 for cost incurred as a result of over excavation on the project located at 135 5th Ave South.

Time Estimate:

N/A

Background:

In June, 2016, the Twin Falls Urban Renewal Agency closed the sale of 0.28ac of property, located at 135 5th Ave South, to Gemstone Development LLC in exchange for $1 and a commitment to develop the site pursuant to an RFP response submitted by Gemstone in April, 2015. The proposed use was a climbing gym. Attached is the agreed to Purchase and Sale Agreement with the applicable contingencies and agreed to conditions.

By September, 2016, Gemstone secured financing, obtained a special-use permit, and completed site and building plan approvals with Twin Falls City, including a required Phase 1 Environmental Assessment (see attachment 2), and began construction. Shortly after construction began, Gemstone discovered several large chunks of concrete and construction debris at varying depths and locations throughout the site. After additional engineering reviews, it was advised that the site be excavated, re-filled and compacted to comply with structural engineering requirements.

In October, 2016, Gemstone notified TFURA Staff of the debris and asked for any assistance that could be provided. Staff arranged for a Parks Department employee to provide assistance hauling away debris from the site. Parks Department equipment was deemed inadequate to meet the need of the project. The URA was billed for twelve hours by the Parks Department for labor provided to the site. After these arrangements were made, Staff received no additional requests from Gemstone until July, 2017.

Attached is a detailed summary from Gemstone outlining the process they used to remedy the site. A professional estimate from a contractor to perform the work was approximately $105,000.00. After deciding to perform the work themselves, the direct costs stated by Gemstone are $39,643.39. Indirect costs from delays, restructuring contracts and volunteer labor are not included in this total.

Gemstone is asking the URA Board to reimburse them $105,000.00, as this would have been the cost to the TFURA to remedy the site if the property would have been returned to the TFURA as was a potential stated in the Post Closing Covenants of the Purchase and Sale Agreement. Gemstone's claim is that the URA should have known about the debris and failed to disclose key information about the site during the RFP and sale processes. Attached is additional information provided by Gemstone to support their statements.

Approval Process:

Approval by a majority of the board in an open meeting.

Budget Impact:

If the Board decides that some reimbursement is necessary, above that which has been budgeted for this project, it would need to come from additional monies available in RAA #4-1 or the general fund.

Regulatory Impact:

N/A

Conclusion:

As the developer, Gemstone agreed to the Purchase and Sale Agreement and the property was sold "As Is" for $1 with the understanding that they would perform the necessary environmental work and secure any and all permits. TFURA Staff was not aware of the debris or any related environmental concerns with the site. Per Gemstone's Environmental Report, concrete and asphalt were present in the soils but were deemed not to be "an environmental concern."

The TFURA is under no obligation to reimburse Gemstone for the additional costs associated with development of the site.

Attachments:

1. Attachment 1- Purchase and Sale Agreement
2. Attachment 2- Environmental Report
3. Attachment 3- Gemstone Summary Report
4. Attachment 4- Extreme Excavation Estimate
5. Attachment 5- Gemstone excavation costs
6. Attachment 6- URA Warranty deed

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "**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 (hereafter "**URA**"), and Gemstone Development, LLC, (hereafter "**Developer**").

RECITALS

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

WHEREAS, URA issued a request for proposals (the "**RFP**") for the redevelopment of the Site (defined in Section 2.A below) and, pursuant to Idaho Code Section 50-2011, the URA may dispose of the Site for the purposes of private redevelopment in this manner;

WHEREAS, URA has selected the Developer under the terms and conditions of the RFP to develop the Site pursuant to the goals and objectives of URA, and a copy of the Developer's RFP response is attached hereto as Exhibit A (hereafter "**RFP Response**");

WHEREAS, the Site is located in the URA's Urban Renewal District (the "**District**") and Development (defined in Section 2.B below) of the Site in accordance with the goals and objectives of URA would enhance and revitalize the District and the downtown area;

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

WHEREAS, the Development would generate revenue allocation proceeds to URA;

WHEREAS, URA has been asked to provide title to the Site for a purchase price of one dollar ($1.00) in conjunction with the Development provided such Development and the funding of same are in conformance with URA's goals and objectives;

WHEREAS, as a result of Developer's commitment to proceed with the construction of the Development and Agency's commitment to provide title to the Site, the parties desire to enter into this Agreement to define their respective obligations.

AGREEMENT

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

1. AGREEMENT EFFECTIVENESS

The parties acknowledge that this Agreement has been approved and executed prior to Developer's closing of the purchase of the Site from URA.

2. SUBJECT OF AGREEMENT

A. The Site. The "**Site**" is certain real property located at 135 5th Avenue South in Twin Falls and is legally described as Lots 6-10 of Block 145, Twin Falls Townsite, Twin Falls County, Idaho, including all fixtures and improvements located thereon and all appurtenances thereto.

B. The Development. The term "**Development**" shall mean the 12,500 square-foot lot to be developed by Developer upon the Site in substantial conformance with the RFP Response and to be occupied by GemStone Climbing Center. The Development design shall also comply with all applicable City of Twin Falls building and zoning ordinances. The exterior appearance of any construction will conform to the standards of the City of Twin Falls Historic Preservation Commission.

3. CONTINGENCIES

A. This Agreement is subject to and contingent upon the Developer securing adequate financing to develop the Development as approved by URA, which approval shall not be unreasonably withheld. Property won't be transferred until URA obtains documentation showing the financing is committed.

B. This Agreement is subject to and contingent upon the completion of a Phase 1 environmental assessment satisfactory to Developer in its sole discretion, to be obtained and paid for by Developer.

C. This Agreement is subject to and contingent upon the approval of a Special Use Permit, which will allow the Developer to use the subject property for the use as set forth in the Response to Request for Proposal.

4. URA-FUNDED IMPROVEMENTS

The URA specifically finds and determines that the URA-funded improvements are a) critical to the redevelopment of the Site; b) constitute payment by the URA for extraordinary conditions on the site; and, c) provides a high quality of development that should assist URA in achieving redevelopment of other properties adjacent to the Site, and meeting the goals and objectives of the URA.

The following improvements shall be completed by the URA in accordance with the URA's policies and processes for public improvements:

A. URA will pave the unfinished section of the alley adjacent to the Site;

B. URA will construct sidewalk, curb and gutter adjacent to the Site along Shoshone Street and along 5th Ave So.;

C. URA will stripe parking spaces on both sides of Fifth Avenue south between Shoshone and Hansen Streets to create up to 42 spaces. In addition, utilizing the current public off-street parking available, Developer will have access to a minimum of 70 parking spaces with in the neighborhood.

5. TITLE REVIEW. As soon as practical after the Effective Date of this Agreement, Developer shall procure from Escrow Agent an ALTA commitment for title insurance for the purchase and development of the Site (the "**Title Commitment**"). Developer shall not be required to close if any matter in the Title Commitment disapproved by Developer cannot be removed by closing; provided, however, Developer may elect to waive ~~is~~ its disapproval and close on the remaining terms. Notwithstanding the foregoing, URA shall remove any defect or encumbrance attaching by, through or under URA after the date of this Agreement and shall provide to Developer marketable title to the site.

6. SALE OF THE SITE TO DEVELOPER

A. Closing Date. The closing shall take place on a mutually convenient date not later than thirty (30) business days after URA notifies Developer that Developer has provided satisfactory proof of Developer financing, City of Twin Falls has approved a special use permit, and approval of the Phase 1 Environmental Assessment by Developer, or such other date as the parties may agree (the "**Closing Date**").

B. Escrow Closing. The closing shall take place at the offices of TitleFact Inc 163 4th Ave N, Twin Falls, Idaho 83301, telephone: (208) 733-3821 ("**Escrow Agent**"). On or before the Closing Date, Developer and URA shall deposit with Escrow Agent all instruments, documents and monies (payable in cash, by wire funds or official bank check), as necessary to complete the transaction in accordance with this Agreement, including due authority resolutions and title affidavits as may be requested by Escrow Agent. Developer shall pay Escrow Agent's closing fees and the premium for any title insurance. Developer shall be responsible for all real estate and personal property taxes and assessments assessed and levied on the Site from and after the Closing Date. All other expenses not specifically referenced in this Agreement and incurred by URA or Developer with respect to this transaction shall be borne and paid exclusively by the party incurring the same without reimbursement.

C. Environmental assessment of property. URA is not aware of environmental contamination on this site. Developer has opted to perform a Phase 1 evaluation which is in process. Purchase of the property is contingent upon the outcome of this Phase 1 evaluation.

D. Conveyance of Title. At closing, URA shall execute and deliver to Developer a warranty deed that is to be marketable and insurable except for rights reserved in federal patents, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, rights of way and easements established or of record and any other liens, encumbrances or defects approved by Developer.

E. Possession. Developer shall be entitled to possession of the Site on the Closing Date.

F. Title Insurance. As a condition precedent to Developer's obligation to close, Escrow Agent shall irrevocably commit to provide Developer an ALTA standard coverage title insurance policy pursuant to the Title Commitment dated as of the closing and insuring Developer in the amount requested by Developer against loss or damage by reason of any defect in Developer's title to the Property subject only to the printed exclusions and general exceptions shown on the Title Commitment or appearing in the policy form and the exceptions approved by Developer.

G. Risk of Loss, Condemnation. Risk of loss of or damage to the Property shall be borne by URA until the Closing Date. If the Property is or becomes the subject of any condemnation proceeding prior to closing, then Developer may, at its option, terminate this Agreement by giving notice of such termination to URA on or before the Closing Date. Upon such termination this Agreement shall be of no further force or effect; provided, however, that Developer may elect to purchase the Property.

H. Purchase As-Is. Except for URA's warranties in the warranty deed, Developer's election to proceed with the purchase of the Property shall be deemed an acknowledgement that Developer has had an opportunity to inspect the Property and perform a due diligence analysis of the Property and is acquiring the Property in an "as is" condition solely in reliance on Developer's own inspection and that neither URA nor any agent, representative or employee of URA has made any representation or warranty, express or implied, verbal or written, with respect to any aspect of the Property or its fitness for any particular use

7. POST CLOSING COVENANTS

Developer shall commence construction of the Development on the Site promptly after Closing Date. If Developer fails to commence construction of the Development within one hundred eighty (180) days after the Closing Date (except when excused by an event of force majeure), or if Developer doesn't complete construction within 365 days of commencing construction, URA shall have the right, exercisable by written notice to Developer within thirty (30) days after such event, to acquire the Site back from the Developer for $1, which is the price set by URA for the sale of the property for this Development.

8. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

For URA:

November 9, 2015

Urban Renewal Agency of the City of Twin Falls

By: [signature]

Name: Daniel B. Brizee

Its: Chairman

For Developer:

November 9, 2015

Gemstone Development, LLC

By: [signature]

Name: Don Campbell

Its: Member

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

On this 9th day of November, 2015 before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared Daniel B. Brizee, known to me to be the **Chairperson** of the **Urban Renewal Agency for the City of Twin Falls, Idaho**, and acknowledged to me that s/he executed the foregoing instrument on behalf of the Urban Renewal Agency of the City of Twin Falls, Idaho, and acknowledged to me that the Urban Renewal Agency of the City of Twin Falls, Idaho executed the same.

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

KATHLEEN A. TOUCHETTE
NOTARY PUBLIC
STATE OF IDAHO

Kathleen A. Touchette
NOTARY PUBLIC
Residing: TWIN FALLS, ID
My Commission Expires: 10/28/21

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

On this 9th day of November, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Donald K. Campbell known to me to be a **Member** of GemStone Development, LLC, an Idaho Limited Liability Company, and acknowledged to me that he executed the foregoing instrument on behalf of said company, and that said company executed the same.

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

KATHLEEN A. TOUCHETTE
NOTARY PUBLIC
STATE OF IDAHO

Kathleen A. Touchette
NOTARY PUBLIC
Residing: TWIN FALLS, ID
My Commission Expires: 10/28/21

EXHIBIT A

RFP RESPONSE

[Attached]

Twin Falls Urban Renewal Agency

Proposal for Acquisition

135 5th Avenue S., Twin Falls, ID 83301

GemStone Climbing

March 16, 2015

**Response to the Twin Falls Urban Renewal Agency's
Request for Proposals
for the property**

**135 5th Ave. S.
Lots 6-10, Block 145, Twin Falls Townsite, Twin Falls County, Idaho**

Our Project & Mission.
The subject property is in an ideal location for the construction and development of an athletic facility to service the continuously expanding and improving downtown community. There are many traditional athletic facilities in the City of Twin Falls, but nothing like what we have planned. It is our desire to construct, develop, and operate the first indoor climbing gym in the Magic Valley and be the only Idaho indoor climbing gym that is capable of being the home for regional rock climbing competitions. Let us introduce you to the GemStone Climbing vision!

There have been many that have asked us how this project will be accepted and succeed in Twin Falls when so many new ideas have failed. This is simple, our facility will make climbing and fitness fun and accessible for every age and every ability in the Magic Valley. The facility will have the ability to host kid's birthday parties, corporate events, team building, certifications for Scout Troops, and be a primary training facility for fire departments and the Magic Valley paramedic high angle rescue team (Special Operation Rescue Team) in belay and repel training, climbing teams, children and adult classes, yoga, pilates, cardio fitness training, and so much more. The facility will be completely ADA accessible, making it an ideal location for wounded veterans, children and adults of all disabilities, and to encourage the young to interact with the old. The facility will not just be a gym, it is going to be a community!

Our facility will be a welcoming family environment and the kids that enter the GemStone Climbing Program will love it the first day and every day thereafter. This is important because it is the family that we are gearing many of our programs towards. This gym will be a place where parents can actively participate in the physical and mental development of their children.

It has been the primary goal of the GemStone Climbing team to develop a gym that appeals to nearly every individual in this great community of ours. We have been told by the Boys and Girls Club that nearly 70% of their children do not possess the athletic abilities for the traditional sports, but that those 70% would thrive in a climbing gym scenario. Coincidentally, the three men of the core team, though extremely athletic, do not fit the "typical" physique of an athlete and did not excel at traditional athletic events. However, these three men are strong when it comes to rock climbing and it is the only sport that requires their full undivided attention. Two of the individuals expressly state that because of rock climbing they are successful adults. This is the power of this sport and we want to encourage the Magic Valley to embrace it!

Building Layout.
The facility will encompass the majority of the 100'x100' lot with an estimated building footprint of 94'x94'. The first floor will have 8,836 sf. Approximately 1/3 of the first floor will be top rope and lead climbing (traditional climbing with ropes and a person on belay) that will extend to the top of the structure. The second floor will have 5,177 sf. The third floor will be a mezzanine, thus allowing the second floor bouldering area to extend to the top of the structure, with 2,880 sf. The entire facility will have approximately 16,893 sf of usable floor area.

The first floor will contain, top rope/lead and bouldering walls, two party/multi-purpose rooms, men's and women's locker rooms, reception area/office, teaching and kids climbing area, rentals room, and a holds room (for cleaning holds). There will also be an office space reserved for Final Cut Synthetic Turf, which will have its own separate entrance. The second floor will have one multi-purpose yoga/Pilates room, cardio and fitness area, storage area, social area, and additional bouldering walls. The third level mezzanine will have an additional yoga room (which can be divided into two room for smaller classes), and the main mechanical room. See Appendix A: Conceptual Floor Plans and Exterior Elevations.

Why Downtown?
The Twin Falls Downtown offers historical value along with a strong sense of community. GemStone will promote and enhance this sense of community by providing a place that people can come and socialize while engaging in an up and coming recreational activity, climbing. Our goal is to bring people from not only the entire Magic Valley Area but also nationally; by offering world class climbing and events that will draw people from all over the country and possibly the world (for example, base jumping has brought athletes from all over the globe). What better place to bring these people but to the "core" of our community? A place where there is a passion for business, strong relationships among business owners and an exceptional history.

A. **Benefit to the City of Twin Falls taxpayers.** The projected investment into the construction of the building and interior improvements is approximately $1.5 million. The taxpayers of Twin Falls will benefit from the tax revenue that the improved space will generate. We will be repurposing an empty lot with a massive project that will bring in a large amount of positive activity and energy when it was previously serving no purpose.

B. **Benefit to the property owners and property values in the City of Twin Falls.** This project and its immense size and genuine purpose will do nothing but benefit all that surround it and those that live in this city. Downtown has many buildings that are in need of being repurposed but in order to pull people in that direction there has to be a reason for business owners to want to have their businesses in the downtown area. By building this new property in the downtown area it helps give people those reasons to visit this area and to see the potential that downtown has. Not only that but it will show people what else is available in the lots surrounding us. For example, all the new locally owned restaurants. This in turn supports all our fellow business owners, our passion for locally owned businesses, and our beautiful community.

Attraction of customers to the site.

GemStone Climbing will focus on providing a fun, safe environment for both new and experienced climbers to improve their climbing skills. All ages will be welcome to climb at the gym; however, children will be the major focus of the business through after school programs and events. By focusing on bringing children into the gym we will not only increase current income streams, but will also establish a strong future customer base. Climbing is often a life-long sport, and the earlier we can bring in potential climbers, the longer we will have him or her as a customer.

We will provide facilities for standard yoga, hot yoga, Pilates, and other strength training and cardio equipment. We will also target other group interests such as team building and climbing clinics. These will allow for an additional profit stream as well as creating a more versatile environment.

We will pride ourselves on excellent customer service standards and our lasting relationships with our customers; this will continue to draw people back to our establishment.

Initial Memberships/Customers

GemStone Climbing will be preselling memberships known as Summit and Founders Memberships prior to opening the gym. These will be available to purchase from a member, on the website, or at several local retailers. We are expecting to sell a minimum of 100 Founders Memberships and 200 Summit Memberships. These will be marketed through social media, word of mouth, and local presentation. These membership sales will begin our positive balance of working capital.

There will be an unlimited amount of Founders Memberships. However, Founders Memberships can only be purchased prior to the gym opening. They are at a discounted rate that continues at the same rate until membership cancellation – it is guaranteed to never increase. Sons and daughters of Founders members can join at the Founders rate upon reaching adulthood (18 years of age). Individual rates start at $395/year and for each additional family member there is a decreased rate.

There will be 200 Summit Memberships for sale. These can be purchased at any time for $1,000 dollars and this gives the member 2 years of membership and all remaining years of membership at the Founders rate. This membership encourages quick capital to our business and additional support in the community. Summit members also receive additional perks such as a GemStone chalk bag. They also get special discounts on member-only events, route setting, among others. This is our Premium Membership!

Additional memberships will be unlimited. There are several different options to appease different customers and their lifestyles.

We expect 150 walk-ins per month. We predict a minimum of 7 birthday parties/group events per month to be held initially. This number is expected to increase to 24-32 within the first year and be continuous for the life of the gym.

The gym breaks even at between 450 members, and with proper marketing, we expect to have 450 members near the end of the first year of operation.

Professional designer layouts of proposed building, interior, and exterior, etc.

Appendix A provides a pictorial concept of what our facility will look like on the interior and exterior. The floorplans were developed by our core team and checked by several of the top climbing gym owners, wall designers, and gym architects in the country. It has been explained that we have one of the most well thought out floorplans in the country.

The exterior façade was designed by Laughlin Ricks Architects in Twin Falls. The structural, civil, survey, environmental, and materials testing will be completed by EHM Engineers, Inc. in Twin Falls. The mechanical and electrical design will be completed by DC Engineering in Twin Falls. It is our number one goal to create a product with our local talent.

The exterior will be a combination of brick, rock, wood, and different textures of steel. Some of the steel will naturally rust to enhance the older historic look. The contrasts of large windows, steel, brick, rock, and wood on this building will make it a beautiful piece of architecture.

Legal Entity Description

GemStone Climbing, LLC will be owned and managed by six working partners/members consisting of Don (president) & Diane Campbell (treasurer), John (vice president) & Lisa Hanowell (secretary), and Jason & Hailey Barnes. 81% of the company will be divided equally between these partners/members. 19% of the company will be sold to private investor(s).

Investment amount and Financing by developer.

Our preliminary estimates are $855,000 for the building and exterior improvements and $645,000 for the interior build out costs that include the climbing walls, flooring, necessary equipment, and supplies. Our total forecasted cost will be approximately $1,500,000.

We are working with Region IV Development on a U.S. Small Business Administration loan and several banks are developing funding packages for this project. Currently, 3 institutions are interested in this project: Zion's Bank, Banner Bank, and Capital Matrix. The development team will be putting 20% down of the total project cost in cash for this project.

Evidence of Financing.
We are working with Region IV Development to secure a financial partnership with the U.S. Small Business Administration and a local bank.

GemStone Employees.
We intend to initially have 12 personnel and as enrollment increases at the gym our employment will also increase anywhere from 18 to 24 people. These employees will consist of a gym manager, 1-2 floor managers, a program director, 1-2 front desk attendants, 2-3 belay instructors, 2 route setters, 2 kid's program coaches, and 1-2 part time adult instructors. We intend the majority of employees will be CSI students and graduates as well as local high school students and graduates.

Hours of Operation.
Initially the gym will be open 7 days a week from 10 am – 10 pm, excluding major holidays. As the staff becomes proficient with the gym and events, the gym will be open from 7 am – 10 pm with daily classes in yoga, Pilates, and other fitness classes. The extended morning times will be open to members only and public access will be limited to the 10 am – 10 pm.

Timeline of construction and occupancy of the property.
It will be our goal to finish this project within 8-10 months from the issuance of the building permit. We intend for our opening day to be prior to March 2016. Ideally, we would like to be open January 1, 2016. The building will be built by a local contractor. Climbing wall construction is from outside of Idaho.

Total proposed payment (and terms, if any) of Respondent's offer to purchase.
GemStone Climbing, LLC will be investing $1.5 million into this empty lot. It is our opinion that the community will gain a new and exciting extracurricular activity for people of all ages to enjoy and will also benefit from our contribution to the enhancement of the downtown area. This will continue to enrich the positive energy of the downtown revitalization and will inspire other aspiring entrepreneurs to start their own ambitious dreams.

We respectfully ask the Urban Renewal Agency to invest in this exciting project by selling GemStone Climbing, LLC the subject lot for $1.00, pay the City water and sewer hookup fees, and pave the alleyway between the subject property and Clear Creek Properties to clean up the area after construction.

Additionally, we ask the City of Twin Falls and Twin Falls Urban Renewal Agency recognize the importance of adequate parking for this project. Therefore, GemStone Climbing, LLC requests the City of Twin Falls and Twin Falls Urban Renewal Agency ensure the parking lot remain as public parking. Should the TFURA choose to sell this parcel, GemStone Climbing, LLC shall have the first option to purchase the land at a cost of $4.00 per square foot.

Respectfully Submitted,

____

Hailey G. Barnes
Member

Appendix A: Conceptual Floor Plans and Exterior Elevations

Figure 1: Southeast 3D View (5th Avenue View)

Figure 2: Southeast 3D View (Entrance from S. Parking Lot)

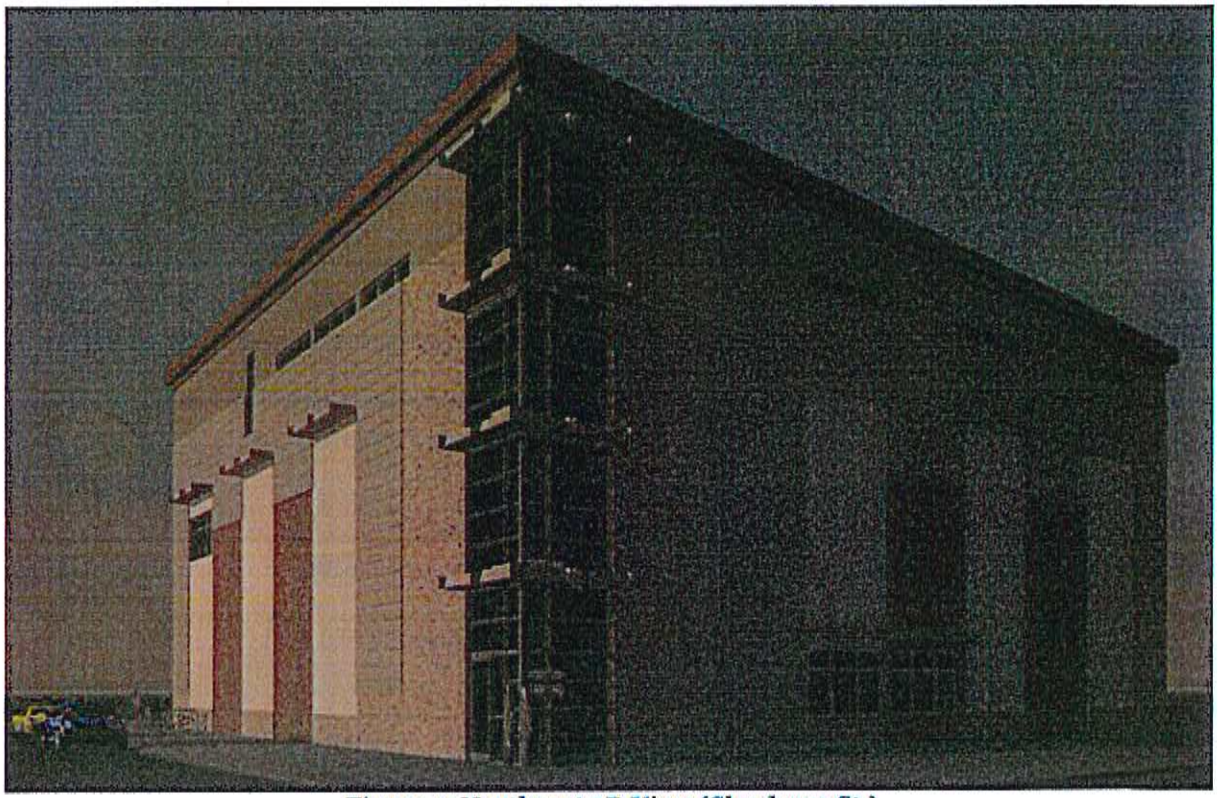

Figure 3: Northeast 3D View (Shoshone St.)

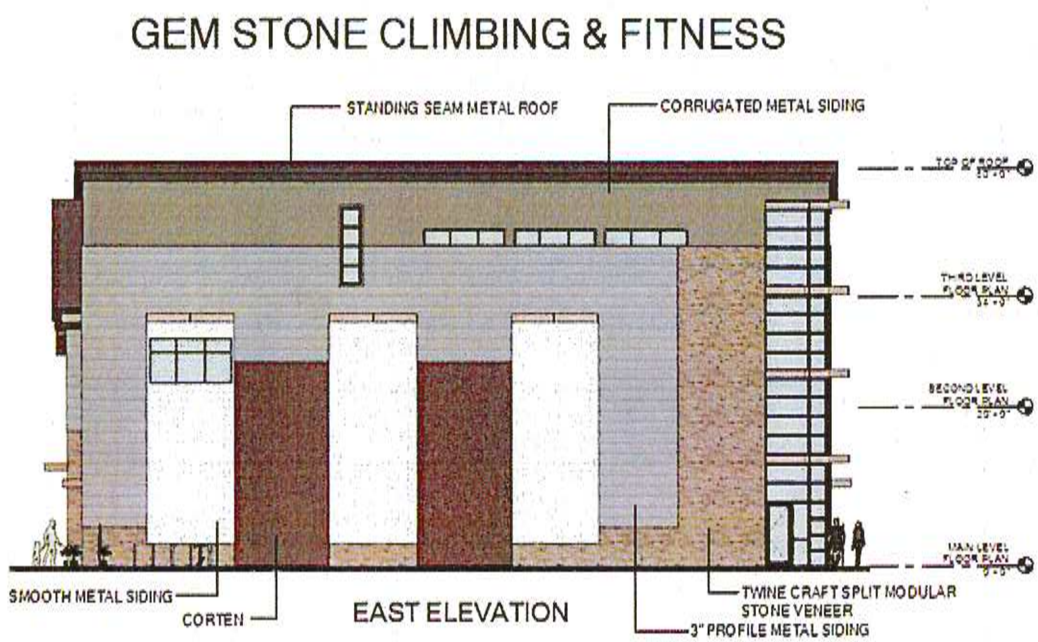

Figure 4: Elevation Material Callouts

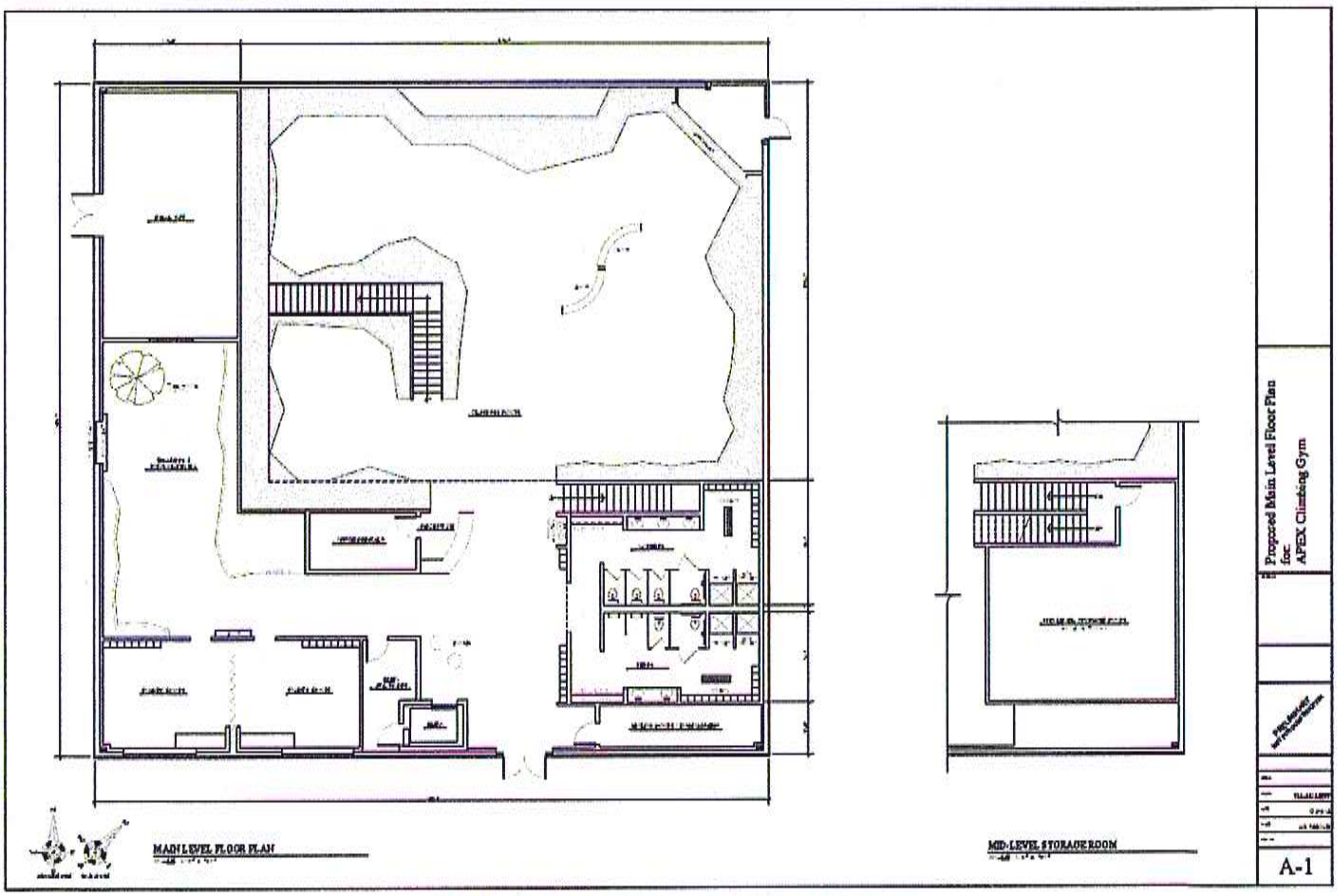

Figure 5: 1st Floor Conceptual Floorplan

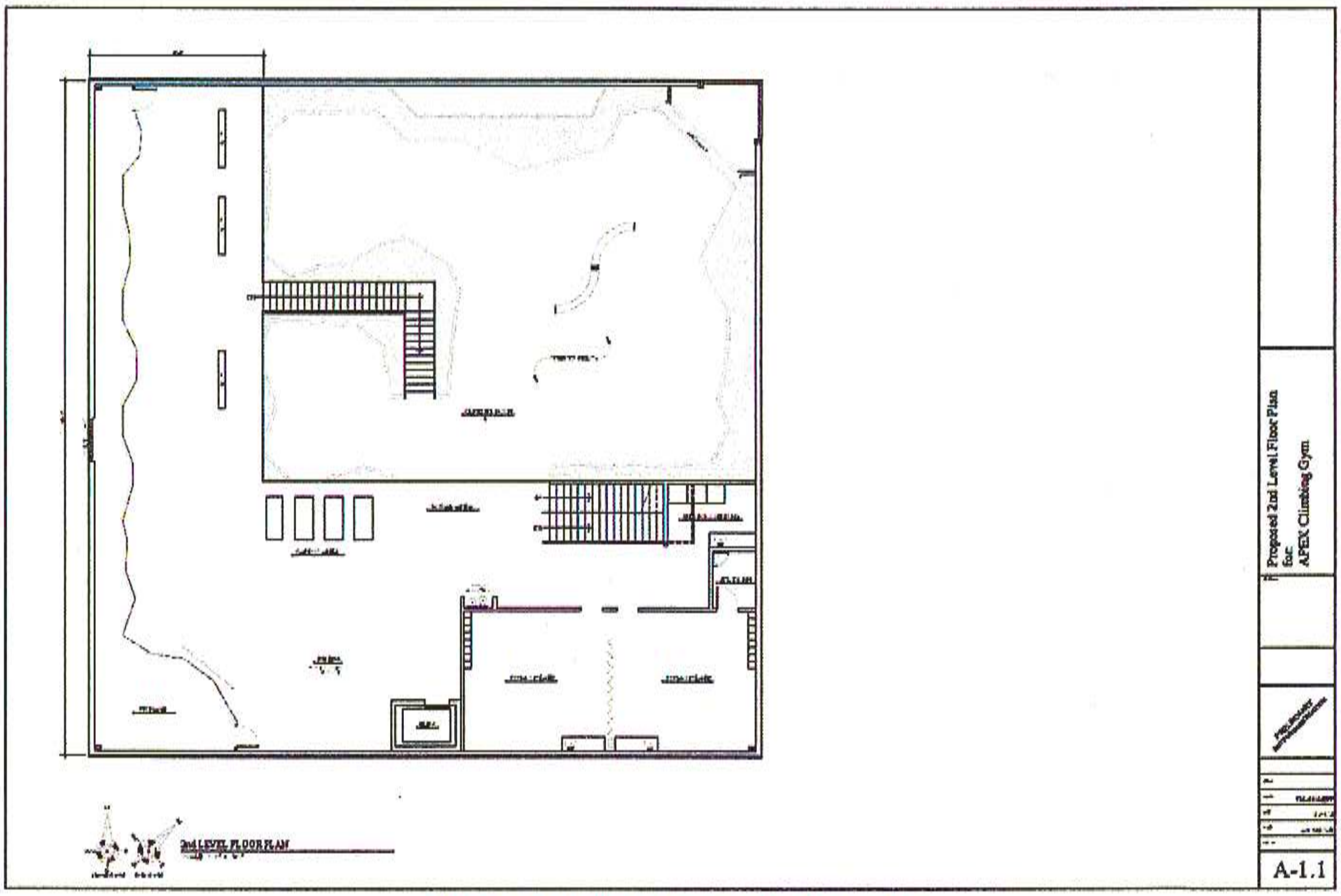

Figure 6: 2nd Floor Conceptual Floorplan

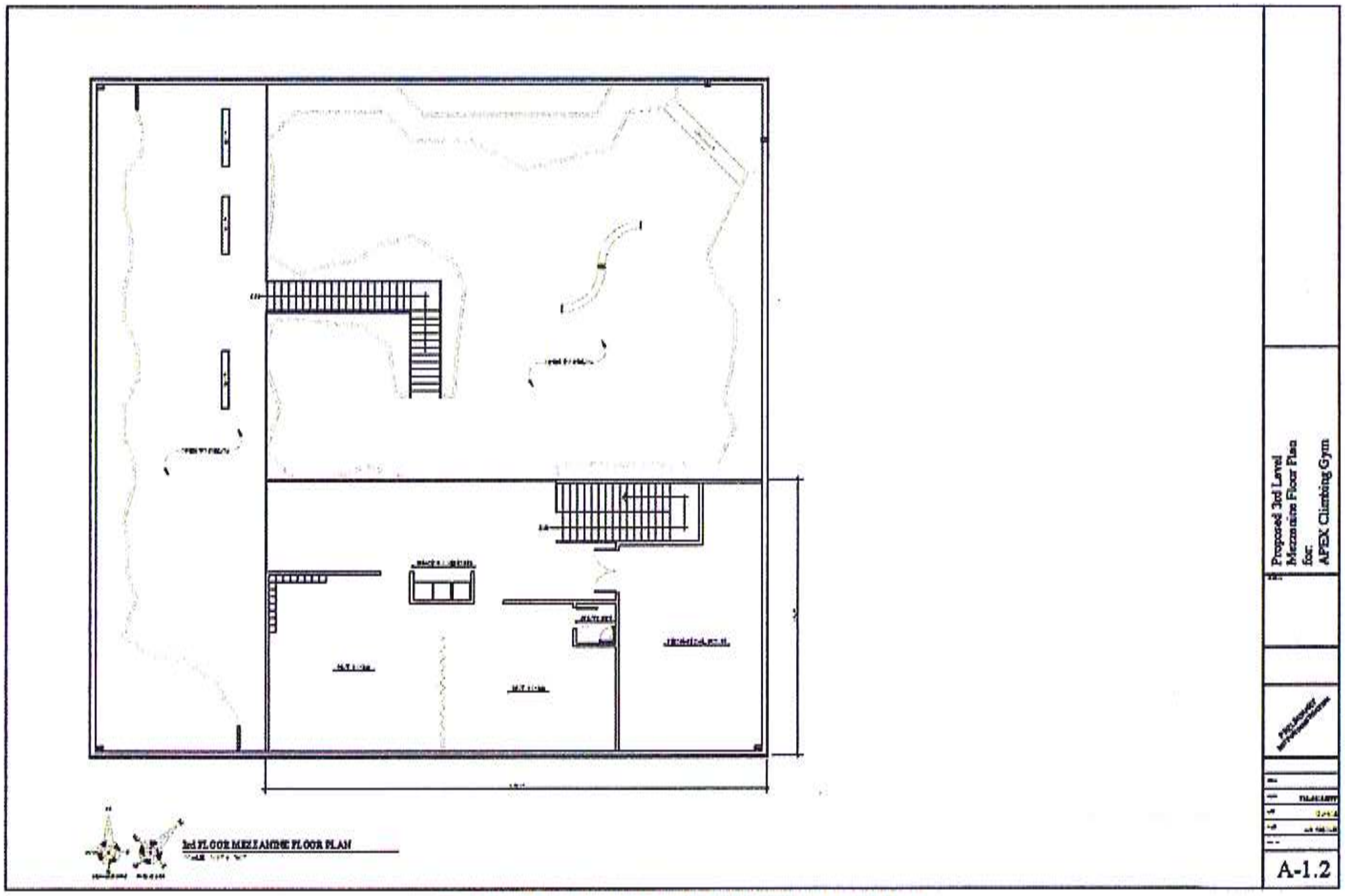

Figure 7: 3rd Floor Conceptual Floorplan

Summary

EHM Engineers, Inc. conducted a Phase I Environmental Site Assessment for the subject property; Figure 1 shows the subject property outlined in red, commonly identified as the empty lot located between Clear Creek Properties and the Depot Grille in Twin Falls, Idaho. The property's physical address is 135 5th Ave. S., Twin Falls, ID 83301.

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM (American Society for Testing & Materials) Practice E 1527-13. Any exceptions to, or limitations from, these practices are described in Section iv of this report. This assessment has revealed the following evidence of recognized environmental conditions in connection with the property and within one mile of the property.

The surrounding facilities were observed from both the interior and exterior and do not appear to pose significant environmental threats to the subject property.

The surrounding properties comprise of:

Northwest (across Shoshone St.): Closeout Sale USA Liquidation Center, Old Twin Falls Hardware building

West: Old grain silos & Depot Grille

Southeast (across parking lot): Office building

Northeast (across alley): Clear Creek Properties office building

Figure 1: Vicinity Map of Subject Property

i. Findings

Table 1: Environmental Search Results

Classification	< ¼ mile	¼-½ miles	½-1 miles	TOTAL
US Toxic Release Inventory	0	1	4	**5**
US RCRA Generators	2	3	6	**11**
US ACRES (Brownfields)	1	5	2	**8**
US Air Facility System	3	2	8	**13**
ID Underground Storage Tanks	12	32	43	**87**
ID Leaking Underground Storage Tanks	6	10	16	**32**

1. There have been 11 Emergency Response Notification System (ERNS) within one (1) mile of the subject property. All of these ERNS were reported from the nearby ConAgra Foods, located at 856 Russet St. approximately 1/2 mile southwest of the subject property. For further details, please refer to Appendix B.
2. Of the 11 RCRA generators only one is a Large Quantity Generator and that is AmeriPride, located at 201 2nd Avenue, W. This facility is 5 city blocks north of the subject property.
3. There is record of thirty-two (32) leaking underground storage tank incidents (LUST) located within 1 mile of the subject property. All of the tanks have been cleared by the DEQ except that of Twin Falls Canal Company, who is still under quarterly monitoring. (Department of Environmental Quality)

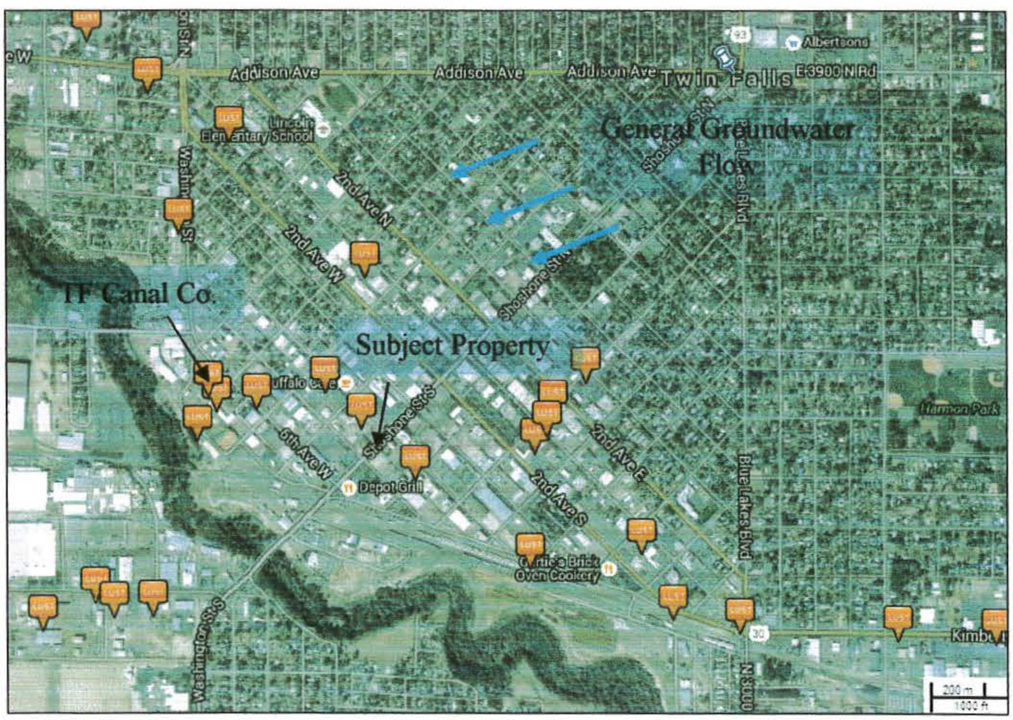

Figure 2: LUST Sites within 1 mile

4. There are no known Historic Recognized Environmental Conditions (HREC), Controlled Recognized Environmental Conditions (CREC) or Recognized Environmental Conditions (REC) on the subject property.
5. The subject property is not known to have been closed due to residual contamination that was managed by an activity and use limitation (AUL).

ii. Opinions

1. The RCRA sites in the vicinity of the subject property are not anticipated to have any significant effects on the subject property.
2. No significant effects on the property from nearby UST/LUSTs are anticipated.
3. There is limited information to determine if there is any current environmental contamination on the subject property.
4. The concrete and asphalt chunks discovered through property owner investigations was deemed to not be an environmental concern.

iii. Conclusions

There is a very minimal possibility of impact to the adjacent subject properties. There was little evidence to suggest environmental concerns at the time of the site inspection in combination with the documented environmental sites. Therefore, we do not suggest soil samples at the subject property at this time.

A level two site assessment is not recommended at this time with the available information.

I. Introduction

Gemstone Development, LLC has retained EHM Engineers, Inc. to conduct a Phase 1 Environmental Site Assessment for the property, to be referred. The assessment was conducted as appropriate inquiry to identify the potential for recognized environmental conditions in connection with previous or existing uses of the subject property. This assessment was conducted according to customary practices for Phase 1 Environmental Site Assessments as defined by ASTM Practice E 1527-2013.

i. Purpose

The purpose of this practice is to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA(Comprehensive Environmental Response, Compensation and Liability Act) liability (hereinafter, the "landowner liability protections," or LLP) that is, the practice that constitutes "all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice" as defined at 42 U.S.C. 9601 (35) (B).

ii. Scope of Phase 1 Environmental Site Assessment

The scope of the work undertaken in the assessment consisted of the following:

1. Records review to identify documented recognized environmental conditions (RECs) in connection with the subject property and neighboring properties.

7/17/2017

Dear Mr. Murray,

As you are aware, during excavation of footings for Gemstone Climbing Center located at 135 5th Ave. S., Twin Falls, we encountered large chunks of concrete and other debris through-out the site. Because we unearthed so much debris, some to a depth of 10 feet, Mr. Gary Bowlin, P.E. of EHM Engineers, recommended complete excavation, fill, and re-compaction of the entire property. Over 5,000 cy (cubic yards) of material was excavated, screened, and re-compacted in lifts. Nearly 1,000 cy of concrete and debris were hauled off the site.

These lots were purchased from the Urban Renewal Agency. URA did not disclose that the site had been used by the City of Twin Falls as a landfill during a downtown renovation in the 1990's.

Previous Inquires:
A Phase 1 Environmental Assessment was completed on the site by EHM Engineers. The environmental component of the site was determined to be clear. URA Director, Melinda Anderson, represented she had no knowledge of any environmental concerns on the site.

The last known building on the site was demolished between 1984 and 1986.

During the construction of Glanbia Corporate Office and Innovation Center (completed in 2013), the site was used by the contractors to stage machinery and materials. It was understood by EHM Engineers, who were active in the Glanbia construction, that the site had been "built up" to support the staged equipment and materials.

As part of the Environmental Assessment, holes were dug to determine if rock was present at the depth of the designed footings and a soil sample was taken for proctor analysis (future compaction testing). From the report, "EHM observed several pieces of concrete and asphalt removed from the holes. The pieces had some vivid paint marks on them. It is assumed that some of the construction debris from Glanbia Corporate were left on site. After 4' in depth the hole appeared to have clean undisturbed soils. No petroleum products or smells were identified."

Our property and the parking lot property were purchased by the Twin Falls Urban Renewal Agency from B.R.D., LLC in June 1999. It would appear that during the redevelopment of the URA parking lot that knowledge of our property would have been known/discovered/revealed. The future rehabilitation would have been understood when URA purchased the property, as they should be more in tuned with City personnel that would have had current knowledge of the property's condition.

Findings:
Our contractor, Chris Hayes of Hayes Construction, began excavation of our footings during the middle of September 2016. They began on the east/alley side. No problems were encountered.

GEMSTONE CLIMBING CENTER

As they turned the corner and began excavating along Shoshone St., they hit a large piece of concrete which appeared to be a remnant of a previous "corner footing," approximately 3 ft. under the surface. Mr. Hayes removed this corner with little effort and continued his excavation. However, as he continued, he noticed changes in soil composition. The soils changed from the typical loess materials to a darker sandy soil. These sandy soils would likely not meet compaction criteria for the footings of a large building. Hayes then began "exploring" with his excavator looking for any additional problem soils. He found additional footings under the south edge of the sidewalk along Shoshone St. These footings contained pieces of brick incorporated into the concrete suggesting a very old building had been present.

Additional exploration through-out the site revealed chunks of concrete and construction debris to depths exceeding 4-5 ft. Gary Bowlin of EHM Engineers was called to review and offer recommendations. After considerable discussion and additional excavation, Mr. Bowlin advised complete excavation of the entire site to include screening of all materials down to native soils, re-filling and re-compacting to structural code requirements.

This looked to be a daunting task.

Course of Action

Mr. Chris Hayes of Hayes Construction contacted several excavation companies and a bid was received from Extreme Excavation totaling $105,132.00 (see attached). This amount exceeded our budget and we discussed abandoning the site and purchasing a new site (already located), and starting over. However, not wanting to give up so easily, the Gemstone partners evaluated our skill set and estimated the cost of doing it ourselves.

Don and Diane Campbell and Jason and Hailey Barnes were comfortable operating heavy equipment and estimated the rehabilitation of the site could be completed for half the cost. We immediately began lining out the machinery, schedules, and people.

Process

Chris Hayes, Hayes Construction, offered his time and excavator when not needed on another job. Mike Zobott, Zobott Construction, offered his time and we rented a very large excavator. At first, Mr. Hayes and Mr. Zobott believed they could "rake" the soils and remove debris within the top 5 feet. However, that idea was quickly dismissed as the amount of debris/concrete was too extensive, of too many different sizes, and deeper than expected.

Consequently, we rented a large front-end loader, a large excavator, a highway class sheeps-foot compacter, and several other pieces of equipment (plus our own) and went to work. As it turned out, we had to excavate the entire site to a minimum of 7-8 ft, some areas up to 10 ft, in order to expose native soils. Along the south side of the property, adjacent to URA parking, we discovered several pipes extending from under the parking lot and into our site. City Public Works was called and determined these pipes were "out of commission." They were subsequently cut and filled with concrete.

Near the center of the property, the remnants of the burned down "Langdon Ice House" from 30 years ago, was uncovered. Large chunks of concrete and steel were removed along with several pieces of burnt wood, as well. As it turned out, one of the gentlemen from Barry Rental, provider of our heavy equipment, had been a fireman and was the first on the scene at the time the building burned. He also oversaw disposal of the building after the fire and based on the amount of charred wood and rubble, the Department did a very good job.

As excavation proceeded, the majority of material uncovered was broken concrete, resembling broken sidewalk. The west side of the property was much "cleaner" than the central or east side and we were able to find suitable stable, native soils at a depth of 7-8 feet.

One afternoon, a bystander asked what we were doing and then offered he had been working for a local contractor back when the City renovated downtown and put up the "green light posts." Further inquiry revealed the City had used the site to dump hundreds of yards of concrete from said project.

Results from the Delay
The excavation and rehabilitation of the property required over 6 weeks to complete. Rains incurred during the month of October and November further delayed the start of our construction goal, building an indoor climbing gym. Direct cost of rehab to Gemstone was $39,643.39. Indirect costs have more than doubled this amount.

The indirect costs caused by the 6 week delay include, but are not limited to: remobilizing our general contractor, winterizing concrete, purchase of extra soil and fill to replace frozen soils for footing backfill, delays caused by snow, early melting, and rain that required 2-3 months to dry-out. If we would have been able to start building in September our building would have had footings set and steel up before winter hit. We would not have lost 3-4 months. Our anticipated opening was April 2017. Now our anticipated opening is August 2017.

Other indirect costs associated with the delay include loss of business from summer programs for the Salvation Army, Boys and Girls Club, the YMCA, Boy Scouts and Girl Scouts, summer camps, and kid's programs. This does not include the normal daily loss of customers. The delay in completing construction has also resulted in our having to cancel contracts for components and building materials which were negotiated at lower prices. We are now having to pay higher prices for flooring, holds, ropes, hardware, rental and retail products.

Failure to Disclose
Several things happened during excavation indicating the City of Twin Falls had records and information about the site and its condition:

1. The URA purchased the property soon after the alleged downtown lighting project and installed the parking lot.
2. Public Works was able to identify the pipelines coming into the site from below the URA parking lot on the south side of the property.

3. The Fire Department had cleaned up the majority of the aftermath of the fire which destroyed a building on the property. They completed the clean up by pushing that which remained into and on top of itself. We excavated the evidence of this.
4. The City contractor had installed "green light posts" in the parking lot and used the site as a disposal site.

Had we known the condition of the site, we could have negotiated with the City to begin rehabilitation months earlier. Had the City been forth-coming with information regarding its use of the site for concrete disposal, we could have planned accordingly. Had URA filed our transfer of deed on time we could have started the excavation process in the summer. The previous Director of URA had failed to file our title transfer subsequent to both Dan Brizee and Don Campbell signing the sales agreement.

In our opinion, the City knew, or, should have known, the site had been used to dispose of concrete debris from their downtown renovation.

Gemstone Request

Why this information was not disclosed during the time in which Gemstone Development was applying for the property, is unknown? However, we understood that we were purchasing a piece of property that the TFURA was proud to sell to a new developing company, like our own, that would not result in financial burdens.

When the concrete was discovered, we contacted Nathan Murray and informed him of our findings and he told us to keep him apprised of the bids. When we received the Extreme Excavation quote we emailed it to Nathan for his use and records. Our statement at that time was, "our contract with URA states that if we do not build a climbing gym that the property goes back to the URA". If we decided to abandon this project, the URA would have had a minimum $105,000 bill to restore the property for future resale. We were encouraged to continue with our dream of building Gemstone Climbing Center and that the City and TFURA would make it right with us. We believe these continuous words from many members of staff and community members to be true.

Gemstone Development asks that the City of Twin Falls and/or the Twin Falls Urban Renewal Agency reimburse Gemstone Development for the financial costs incurred by the required rehabilitation project.

4449 N. 1325 E., Buhl, ID 83316 208.420.9624

Extreme Excavation Inc.
36 N. Hwy 75
P.O. Box 235
Shoshone, ID 83352
544-ROCK (7625)

Estimate

Date	Estimate #
10/5/2016	1206

Name / Address
Hayes Construction

Public Works Contractor Lic.	Project
PWC-C-16975-A	Climbing Gym

Item	Description	Qty	Unit	Cost	Total
1130	Mobilization	1	LS	1,200.00	1,200.00
2232	Removal of Concrete Sidewalk & Footings	1	LS	1,500.00	1,500.00
2315	Excavation of Unsuitable Soils to 5 ft Below grade	3,200	CY	4.00	12,800.00
1130	Haul of Unsuitable Soils to offsite dump area	3,200	CY	8.00	25,600.00
1130	Haul in Structural Fill for Building pad	3,200	CY	7.00	22,400.00
2315	Build Building Pad to Subgrade with Imported Fill	3,200	CY	8.00	25,600.00
2315	Provide Imported Fill	3,200	CY	5.00	16,000.00
1130	Haul of Trash Soils to Milner Butte if needed	1	CY	32.00	32.00

Acceptance of Estimate. Extreme Excavation is authorized to do the work as specified. Estimate valid for 30 days.

Total $105,132.00

Signature

Any excess material hauled in or out, and/or landscape shaping & final grade will be billed on a time & material basis, unless otherwise noted. In addition all grading will be within +/-1/10 ft per industry standards. Dewatering, rock removal, shoring and/or bracing required, winterization and/or dewinterization, & unsuitable soil conditions, removal & replacement are not included in estimate, unless listed above. Extreme Excavation, Inc. reserves the right to charge a fuel surcharge if fuel prices raise to $4.50 or higher during the duration of the project. Any alteration or deviation from above specifications involving extra costs, will be exceuted only upon written change orders, & will be an extra over & above this estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry builder's Risk, & other necessary insurance for work. Workman's Compensation & Public

Gemstone Climbing Center, LLC
Account QuickReport
All Transactions

Type	Date	Num	Name	Memo	Split	Amount
Excavation						
Contract labor						
Check	10/26/2016	1017	Zobott Construction ...	xcavator and l...	Development, ...	4,132.50
Check	12/13/2016	1023	Hayes Construction	Chris & overh...	Development, ...	1,895.95
Total Contract labor						6,028.45
Dirt for fill						
Check	12/03/2016	1020	Kloepfer, Inc	2320,2321	Development, ...	1,053.60
Check	12/05/2016	1021	Doug McCoy Constr...	900 cy	Development, ...	4,050.00
Total Dirt for fill						5,103.60
Equipment rental						
Check	10/17/2016	1006	City of Twin Falls	water meter	Development, ...	1,500.00
Credit Card Charge	10/22/2016		Barry's Rental	excavator, co...	Capital One- D...	9,158.32
Credit Card Charge	10/31/2016		Barry's Rental	trash pump	Capital One- D...	288.90
Credit Card Charge	11/12/2016		Barry's Rental	Bobcat	Capital One- D...	2,912.68
Check	12/02/2016	1019	Don Campbell	loader	Development, ...	386.95
Check	12/13/2016	1023	Hayes Construction	Hayes Equip...	Development, ...	6,968.98
Total Equipment rental						21,215.83
Fuel						
Check	10/13/2016	1007	United Oil		Development, ...	297.22
Check	10/14/2016	1008	United Oil		Development, ...	391.71
Credit Card Charge	10/15/2016		Stinker		Capital One- D...	23.74
Check	10/17/2016	1009	United Oil		Development, ...	226.99
Check	10/18/2016	1010	United Oil		Development, ...	239.95
Check	10/19/2016	1012	United Oil		Development, ...	255.67
Check	10/20/2016	1011	United Oil		Development, ...	269.42
Check	10/21/2016	1014	United Oil		Development, ...	246.72
Check	10/22/2016	1015	United Oil		Development, ...	129.29
Check	10/24/2016	1016	United Oil		Development, ...	66.66
Check	10/27/2016	1019	United Oil		Development, ...	91.11
Check	11/11/2016	1005	United Oil		Checking GSC...	163.11
Total Fuel						2,401.59
hauling, concrete removal						
Check	12/03/2016	1020	Kloepfer, Inc	2320,2321	Development, ...	2,867.50
Total hauling, concrete removal						2,867.50
other supplies						
Credit Card Charge	10/13/2016		Lowe's	concrete	Capital One- D...	38.99
Credit Card Charge	10/14/2016		Logan's Market Ace ...	tarp, grease	Capital One- D...	28.25
Credit Card Charge	10/15/2016		Lowe's	concrete to fill...	Capital One- D...	47.70
Credit Card Charge	10/15/2016		Floyd Lilly Co.	hydrant wrench	Capital One- D...	42.61
Credit Card Charge	10/19/2016		Floyd Lilly Co.	nozzle	Capital One- D...	48.07
Credit Card Charge	10/20/2016		Ace Hardware	gloves	Capital One- D...	13.22
Check	12/02/2016	1019	Don Campbell	lime, spray pa...	Development, ...	78.58
Total other supplies						297.42
Excavation - Other						
Check	12/05/2016	ACH	EHM Engineers, Inc.	compaction te...	Development, ...	1,729.00
Total Excavation - Other						1,729.00
Total Excavation						39,643.39
TOTAL						**39,643.39**

37710F-sm
TitleFact, Inc.
163 Fourth Avenue North
P.O. Box 486
Twin Falls, Idaho 83303

Twin Falls County, Idaho
Recorded for:
TITLEFACT
01:08pm Jun.04,1999
1999-010661
No. of Pages: 1 Fee: $3.00
ROBERT S. FORT
Ex-Officio Recorder
Deputy: BN

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

WARRANTY DEED

FOR VALUE RECEIVED **B.R.D., L.L.C., an Idaho Limited Liability Company,** hereinafter called the grantor, hereby grants, bargains, sells and conveys unto **URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS,** hereinafter called grantee, whose address is: P.O. BOX 1907, TWIN FALLS, ID 83301, the following described premises, in Twin Falls County, Idaho, to-wit:

Lots 6, 7, 8, 9, 10, 11, 12, 13, 14 and the Northwesterly 25 feet of Lot 15, Block 145, **TWIN FALLS TOWNSITE,** Twin Falls County, Idaho, according to the final and amended plat thereof recorded in Book 1 of Plats, page 7, records of Twin Falls County, Idaho.

TOGETHER WITH that certain alley lying between Lots 6, 7, 8, 9 and 10, Block 145, on the Northwest side, and Lot 11, Block 145, on the South said and extending from the Northeast line of Fifth Avenue South to the Southwest line of the main alley running Northwest and Southeast through said Block, more particularly described as follows:

BEGINNING at the West corner of Lot 11 above described, which corner is on the Northeast line of Fifth Avenue South;

THENCE Northeast 125 feet to the North corner of said Lot which is on the Southwest line of the alley running Northwest and Southeast through said Block;

THENCE Northwest along the Southwest line of said alley 15 feet, more or less, to the East corner of Lot 6 in said Block;

THENCE Southwest along the Southeast line of Lots 6, 7, 8, 9 and 10, Block 145, 125 feet to the South corner of Lot 10, which is on the Northeast line of Fifth Avenue South;

THENCE Southeast along the Northeast line of said Avenue 15 feet, more or less, to the POINT OF BEGINNING, all as shown upon the final and amended plat of said Twin Falls Townsite on record in said County.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee and the Grantee's heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that are free from all encumbrances except as described above and that Grantor will warrant and defend the same from all lawful claims whatsoever.

Dated: June 4, 1999

B.R.D., L.L.C.

BY: [signature]

RICK BEUS, Managing Member

* * * * * * *

STATE OF IDAHO
County of Twin Falls

On this 4th day of June, 1999, before me, a Notary Public in and for said State, personally appeared **Rick Beus,** known or identified to me to be a managing member of the limited liability company of **B.R.D., L.L.C., an Idaho Limited Liability Company,** and the managing member who subscribed said limited liability company name to the foregoing instrument and acknowledged to me that he executed the same in said limited liability company name.

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

Susie Moore

Notary Public for Idaho
Residing in Twin Falls
Commission Expires 11-28-2002

SUSIE MOORE
NOTARY
PUBLIC
STATE OF IDAHO

THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS

Date: Monday, August 14, 2017

To: Urban Renewal Agency of the City of Twin Falls

From: Nathan Murray

Request:

Consideration of a request to sign a Purchase and Sale Agreement for the property located at 851 Pole Line Road.

Time Estimate:

N/A

Background:

Staff has received two purchase and sale offers for the C3 property. One from Alturas Capital and a second from Eagle Financial, LLC. The URA is under no obligation to sell the property at this time, but pursuant to previous discussions with the Board regarding the long-term goals of the URA, now was deemed an appropriate time to measure interests in the property and to maximize the potential of an asset if one exists.

Presently, the cash flow generated from rents on the C3 building are positive and they are projected to stay positive over the next few years. The Board needs to determine if projected revenues from rents outweigh the cash received now that could be put toward URA projects elsewhere.

The URA is under obligation to notify members of an ownership group which has a right of refusal to purchase the property, pursuant to an agreement entered into November 8, 2002.

Approval Process:

A majority vote of the Board would authorize the Chair to sign the purchase and sale agreement.

Budget Impact:

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

Regulatory Impact:

N/A

Conclusion:

Staff recommends selling the building at this time for the highest proposed purchase price.

Attachments:

1. Attachment 1- Cash Flow

FY 2010

FY 2010 - 2011			
Income			
9/30/2010	Rent	$ 32,113.33	
FY 2010-2011 Income			
10/14/2010	Rent	$ 32,113.33	
11/15/2010	Rent	$ 32,113.33	
12/15/2010	Rent	$ 32,113.33	
1/18/2011	Rent	$ 32,113.33	
2/14/2011	Rent	$ 32,113.33	
3/15/2011	Rent	$ 32,113.33	
4/14/2011	Rent	$ 32,113.33	
5/13/2011	Rent	$ 32,113.33	
6/14/2011	Rent	$ 32,113.33	
7/8/2011	Rent	$ 32,755.60	
8/15/2011	Rent	$ 32,755.60	
9/15/2011	Rent	$ 32,755.60	
		$ 387,286.77	
FY 2010-2011 Expenses			
Fillmore Parking Lot			
1/6/2011	Annual Fillmore Parking Lease	$ 68,000.00	
12/6/2011	Property Taxes on Fillmore Parking Lot	$ 6,934.76	
			$ 74,934.76
Maintenance and Operations			
11/4/2010	Landscape Watering	$ 237.41	
11/4/2010	Idaho Power	$ 361.08	
11/4/2010	IPMG - Call Center Maintenance	$ 2,913.00	
12/8/2010	Idaho Power - Dell Parking Lot	$ 233.08	
12/8/2010	Summer Irrigation	$ 1.56	
1/6/2011	Idaho Power - Dell Parking Lot	$ 258.48	
1/6/2011	K&G Property Mgmt - Maintenance	$ 4,756.90	
2/7/2011	Idaho Power - Dell Parking Lot	$ 248.76	
2/7/2011	K&G Property Mgmt - Maintenance (Dec)	$ 2,755.00	
2/10/2011	K&G Property Mgmt - Maintenance (Jan)	$ 2,690.86	
3/7/2011	Idaho Power - Dell Parking Lot	$ 230.90	
3/7/2011	K&G Property Mgmt - Maintenance (Feb)	$ 4,824.10	
4/6/2011	Idaho Power - Dell Parking Lot	$ 231.72	
5/2/2011	Idaho Power - Dell Parking Lot	$ 215.10	
6/7/2011	Water - Landscaping	$ 286.93	
6/7/2011	Idaho Power - Dell Parking Lot	$ 199.97	
7/12/2011	Water - Landscaping	$ 373.74	
7/12/2011	Idaho Power - Dell Parking Lot	$ 208.21	
7/12/2011	Weed spraying	$ 100.00	
8/3/2011	Federal Express - Mailing Documents	$ 35.42	
8/3/2011	Idaho Power - Dell Parking Lot	$ 201.25	
8/3/2011	Water - Landscaping	$ 341.51	
9/6/2011	Idaho Power - Dell Parking Lot	$ 197.70	
9/6/2011	Water - Landscaping	$ 296.03	
9/6/2011	Legal Add - Bidding	$ 209.79	
9/6/2011	Weed spraying	$ 100.00	
			$ 22,508.50
Professional Services			

12/8/2010	K& G Property Management Fee	$ 3,182.97	
4/6/2010	K& G Property Management Fee	$ 2,544.15	
6/2/2010	Architectural Services (roof)	$ 500.00	
6/7/2011	K& G Property Management Fee	$ 3,041.39	
6/7/2011	K& G Property Management Fee (April)	$ 3,621.98	
7/12/2011	K& G Property Management Fee	$ 5,627.77	
8/3/2011	Architectural Services (roof)	$ 10,260.00	
8/3/2011	Architectural Services (roof)	$ 4,089.46	
9/6/2011	Architectural Services (roof)	$ 1,533.65	
9/6/2011	K& G Property Management Fee	$ 3,088.45	
9/7/2011	K& G Property Management Fee	$ 2,482.60	
			$ 39,972.42
Property Taxes			
3/7/2011	Property Taxes C3 Lot (50%)	$ 6,482.55	
4/6/2011	Property Taxes C3 Lot (50%)	$ 6,482.55	
			$ 12,965.10
Major Maintenance			
7/13/2011	Parking Lot seal	$ 9,311.12	
7/13/2011	Parking Lot Seal	$ 26,827.66	
9/14/2011	Roof Repair	$ 107,160.00	
			$ 143,298.78
	Total Expenses FY 2010 - 2011		$ 293,679.56
	Net Income FY 2010 - 2011		$ 93,607.21

FY 2011 - 2012			
Income			
10/18/2011	Rent	$ 32,755.60	
11/29/2011	Rent	$ 32,755.60	
12/20/2011	Rent	$ 32,755.60	
1/19/2012	Rent	$ 32,755.60	
2/21/2012	Rent	$ 32,755.60	
3/20/2012	Rent	$ 32,755.60	
4/20/2012	Rent	$ 32,755.60	
5/15/2012	Rent	$ 32,755.60	
6/18/2012	Rent	$ 32,755.60	
7/17/2012	Rent	$ 33,410.71	
8/13/2012	Rent	$ 33,410.71	
9/17/2012	Rent	$ 33,410.71	
		$ 395,032.53	
FY 2011-2012 Expenses			
Fillmore Parking Lot			
12/16/2011	Fillmore Parking Lease	$ 68,000.00	
12/16/2011	Property Taxes on Fillmore Parking Lot	$ 5,250.59	
			$ 73,250.59
Maintenance and Operations			
10/3/2011	Water - Landscape	$ 332.62	
10/3/2011	Idaho Power - Parking Lot	$ 212.87	
10/6/2011	K&G Property Mgmt - Maintenance	$ 3,012.85	
11/7/2011	Idaho Power - Parking Lot	$ 198.67	
11/7/2011	Water - Landscape	$ 302.05	
12/5/2011	Idaho Power - Parking Lot	$ 207.77	
12/5/2011	Water - Landscape	$ 41.85	
12/8/2011	K&G Property Mgmt - Maintenance	$ 5,250.59	
1/3/2012	Idaho Power - Parking Lot	$ 229.19	
2/9/2012	Idaho Power - Parking Lot	$ 232.81	
3/7/2012	Idaho Power - Parking Lot	$ 234.04	
4/3/2012	Idaho Power - Parking Lot	$ 219.68	
5/7/2012	Idaho Power - Parking Lot	$ 205.49	
6/7/2012	Idaho Power - Parking Lot	$ 200.42	
7/2/2012	Idaho Power - Parking Lot	$ 174.65	
7/2/2012	Water - Landscape	$ 256.93	
8/8/2012	Idaho Power - Parking Lot	$ 178.37	
8/8/2012	Water - Landscape	$ 371.14	
9/6/2012	Water - Landscape	$ 484.83	
9/6/2012	Idaho Power - Parking Lot	$ 206.05	
			$ 12,552.87
Professional Services			
10/3/2011	Construction Administration (re-roof)	$ 3,900.00	
11/7/2011	K& G Property Management Fee	$ 2,904.14	
11/7/2011	Architectural Services (re-roof)	$ 100.00	
12/8/2011	K& G Property Management Fee	$ 2,407.82	
2/9/2012	K& G Property Management Fee	$ 2,384.99	
2/9/2012	K& G Property Management Fee	$ 3,967.42	
3/7/2012	K& G Property Management Fee	$ 6,532.01	
4/3/2012	K& G Property Management Fee	$ 2,671.86	
5/7/2012	K& G Property Management Fee	$ 3,837.79	
7/2/2012	K& G Property Management Fee	$ 2,478.24	
7/3/2012	K& G Property Management Fee	$ 4,739.58	

8/8/2012	K& G Property Management Fee	$ 4,609.63	
9/6/2012	K& G Property Management Fee	$ 3,447.36	
			$ 43,980.84
Property Taxes			
8/8/2012	Property Taxes - Concept 91 Parking Lot	$ 39,973.16	
			$ 39,973.16
Major Maintenance			
10/13/2011	Roof Repair	$ 87,821.00	
11/7/2011	Roof Repair	$ 564.00	
12/7/2011	Roof Repair	$ 16,199.00	
			$ 104,584.00
	Total FY 2011 -2013 Expenses		$ 274,341.46
	Net Income FY 2011 - 2012		**$ 120,691.07**

	FY 2012 -2013		
FY 2012-2013 Income			
10/25/2012	Rent	$ 33,410.71	
11/26/2012	Rent	$ 33,410.71	
12/19/2012	Rent	$ 33,410.71	
1/15/2013	Rent	$ 33,410.71	
2/19/2013	Rent	$ 33,410.71	
3/13/2013	Rent	$ 33,410.71	
4/17/2013	Rent	$ 33,410.71	
5/13/2013	Rent	$ 33,410.71	
6/18/2013	Rent	$ 33,410.71	
8/5/2013	Rent	$ 34,078.92	
9/4/2013	Rent	$ 34,078.92	
9/24/2013	Rent	$ 34,078.92	
	Total Income	$ 402,933.15	
FY 2012-2013 Expenses			
Fillmore Parking Lot			
12/4/2012	Fillmore Parking Lease	$ 72,000.00	
12/4/2012	Property Taxes - Fillmore Parking Lot	$ 15,109.74	
12/4/2012	Property Taxes	$ 9.62	
			$ 87,119.36
Maintenance and Operations			
10/4/2012	Water - Landscape	$ 379.60	
10/4/2012	Idaho Power - Parking Lot	$ 7.76	
10/4/2012	Idaho Power - Parking Lot	$ 215.00	
11/13/2012	Water - Landscape	$ 337.25	
11/13/2012	Idaho Power - Parking Lot	$ 217.12	
12/4/2012	K&G Property Mgmt - Maintenance	$ 1,401.10	
12/4/2012	Water - Landscape	$ 43.80	
12/4/2012	Idaho Power - Parking Lot	$ 242.05	
1/9/2012	Idaho Power - Parking Lot	$ 251.90	
1/9/2013	K&G Property Mgmt - Maintenance	$ 2,902.08	
2/6/2013	Idaho Power - Parking Lot	$ 260.89	
3/5/2013	Idaho Power - Parking Lot	$ 240.57	
4/3/2013	Idaho Power - Parking Lot	$ 231.20	

5/7/2013	Idaho Power - Parking Lot	$ 222.39	
6/5/2013	Exterior Paint	$ 4,200.00	
6/5/2013	Water - Landscape	$ 222.60	
6/5/2013	Idaho Power - Parking Lot	$ 205.60	
7/2/2013	Idaho Power - Parking Lot	$ 207.65	
7/2/2013	Water - Landscape	$ 331.45	
8/6/2013	Water - Landscape	$ 390.25	
8/6/2013	Idaho Power - Parking Lot	$ 216.92	
8/6/2013	Weed Spaying	$ 150.00	
9/4/2013	Water - Landscape	$ 385.90	
			$ 13,263.08
Professional Services			
10/4/2012	K& G Property Management Fee	$ 5,050.66	
11/13/2012	K& G Property Management Fee	$ 4,713.99	
2/6/2013	K& G Property Management Fee	$ 4,155.15	
3/5/2013	K& G Property Management Fee	$ 4,098.55	
4/3/2013	K& G Property Management Fee	$ 2,496.42	
5/7/2013	K& G Property Management Fee	$ 5,279.88	
6/5/2013	K& G Property Management Fee	$ 3,778.83	
6/5/2013	HVAC Bidding Consulting	$ 5,836.78	
6/5/2013	HVAC Bidding Consulting	$ 2,696.27	
7/2/2013	K& G Property Management Fee	$ 3,602.72	
8/6/2013	K& G Property Management Fee	$ 2,386.00	
9/4/2013	K& G Property Management Fee (IRS)	$ 1,810.60	
			$ 45,905.85
Property Taxes			
12/4/2012	Property Taxes - Concept 91 Parking Lot	$ 19,314.34	
			$ 19,314.34
Major Maintenance			
7/3/2013	HVAC Units (2)	$ 55,898.00	
			$ 55,898.00
	Total FY 2012 - 2103 Expenses		$ 221,500.63
	Net Income FY 2012 - 2013		**$ 181,432.52**
	FY 2013 - 2014		
FY 2013-2014 Income			
10/28/2013	Rent	$ 34,078.92	
11/26/2013	Rent	$ 34,078.92	
1/6/2014	Rent	$ 34,078.92	
1/28/2014	Rent	$ 34,078.92	
2/26/2014	Rent	$ 34,078.92	
4/1/2014	Rent	$ 34,078.92	
4/22/2014	Rent	$ 34,078.92	
5/30/2014	Rent	$ 34,078.92	
6/24/2014	Rent	$ 34,078.92	
7/15/2014	Rent	$ 34,078.92	
8/26/2014	Rent	$ 34,760.50	
9/22/2014	Rent	$ 34,760.50	
		$ 410,310.20	
FY 2013-2014 Expenses			
Fillmore Parking Lot			
1/14/2014	Fillmore Parking Lease	$ 72,000.00	

1/14/2014	Property Taxes - Fillmore Parking Lot	$ 15,834.56	
			$ 87,834.56

Maintenance and Operations

10/7/2013	Water - Landscape	$ 462.85
10/7/2013	Idaho Power - Parking Lot	$ 263.48
10/7/2013	Asphalt repairs	$ 1,000.00
10/7/2013	Commercial Property Maintenance	$ 1,700.00
10/7/2013	Parking Lot sweeping	$ 352.00
11/7/2013	ACCO - HVAC Preventative Maintenance	$ 748.00
11/7/2013	Water - Landscape	$ 244.47
11/7/2013	Commercial Property Maintenance	$ 2,655.00
11/7/2013	Idaho Power - Parking Lot	$ 246.12
11/7/2013	Parking Lot sweeping	$ 440.00
11/7/2013	Asphalt Crack Sealing	$ 1,994.12
12/4/2013	ACCO - HVAC Repairs	$ 1,239.92
12/4/2013	Water - Landscape	$ 144.06
12/4/2013	Idaho Power - Parking Lot	$ 258.18
12/4/2013	Parking Lot sweeping	$ 352.00
1/7/2014	Idaho Power - Parking Lot	$ 260.76
1/7/2014	Snow Removal	$ 722.50
1/7/2014	Snow Removal	$ 722.50
1/8/2014	Parking Lot sweeping	$ 352.00
1/8/2014	Commercial Property Maintenance	$ 385.00
1/8/2014	ACCO - HVAC Repairs	$ 157.00
2/6/2014	Idaho Power - Parking Lot	$ 273.57
2/6/2014	Parking Lot sweeping	$ 440.00
3/6/2014	Snow Removal	$ 722.50
3/6/2014	Snow Removal	$ 722.50
3/6/2014	Parking Lot sweeping	$ 352.00
3/6/2014	Idaho Power - Parking Lot	$ 305.55
4/8/2014	Commercial Property Maintenance	$ 1,060.00
4/8/2014	Parking Lot sweeping	$ 352.00
4/8/2014	Idaho Power - Parking Lot	$ 557.47
5/6/2014	Idaho Power - Parking Lot	$ 234.90
5/6/2014	Parking Lot sweeping	$ 440.00
5/6/2014	Commercial Property Maintenance	$ 950.00
5/6/2014	ACCO - HVAC Preventative Maintenance	$ 748.00
5/6/2014	ACCO - HVAC Repairs	$ 157.00
5/6/2014	ACCO - HVAC Repairs	$ 836.00
6/4/2014	Idaho Power - Parking Lot	$ 144.30
6/4/2014	Weed Spaying	$ 150.00
6/4/2014	Water - Landscape	$ 20.53
6/4/2014	Parking Lot sweeping	$ 352.00
6/4/2014	Commercial Property Maintenance	$ 2,065.00
6/4/2014	ACCO - HVAC Preventative Maintenance	$ 748.00
6/4/2014	ACCO - HVAC Repairs	$ 78.50
6/4/2014	ACCO - HVAC Repairs	$ 78.50
6/4/2014	ACCO - HVAC Repairs	$ 103.16
7/10/2014	Weed Spraying	$ 180.00
7/10/2014	Parking Lot sweeping	$ 390.00
7/10/2014	Commercial Property Maintenance	$ 1,895.00
7/10/2014	Asphalt repairs	$ 3,375.00
7/10/2014	Water - Landscape	$ 222.75
8/5/2014	Commercial Property Maintenance	$ 2,015.00
8/5/2014	Parking Lot sweeping	$ 440.00
8/5/2014	Water - Landscape	$ 385.43

8/5/2014	Idaho Power - Parking Lot	$ 74.86	
9/4/2014	Water - Landscape	$ 431.49	
9/4/2014	Idaho Power - Parking Lot	$ 209.21	
9/4/2014	Parking Lot sweeping	$ 352.00	
9/4/2014	ACCO - HVAC Repairs	$ 78.50	
9/4/2014	ACCO - HVAC Preventative Maintenance	$ 748.00	
9/4/2014	Commercial Property Maintenance	$ 1,010.00	
			$ 38,398.68
Professional Services			
10/7/2013	K & G Management Fees	$ 433.00	
10/7/2013	Engineering for leak repairs	$ 167.56	
11/7/2013	K & G Management Fees	$ 450.00	
12/4/2013	K & G Management Fees	$ 450.00	
1/7/2014	K & G Management Fees	$ 450.00	
2/6/2014	K & G Management Fees	$ 450.00	
3/6/2014	K & G Management Fees	$ 450.00	
4/8/2014	K & G Management Fees	$ 450.00	
5/6/2014	HVAC Bid Consulting	$ 3,120.00	
5/6/2014	K & G Management Fees	$ 450.00	
6/4/2014	HVAC Bid Consulting	$ 1,790.00	
6/4/2014	K & G Management Fees	$ 450.00	
7/10/2014	HVAC Bid Consulting	$ 390.00	
7/10/2014	K & G Management Fees	$ 450.00	
8/5/2014	K & G Management Fees	$ 450.00	
9/4/2014	K & G Management Fees	$ 450.00	
			$ 10,850.56
Property Taxes			
12/11/2013	Property Taxes - C-3 (50%)	$ 10,120.46	
5/6/2014	Property Taxes - C-3 (50%)	$ 10,120.46	
			$ 20,240.92
Major Maintenance			
6/4/2014	HVAC Installation	$ 49,807.00	
			$ 49,807.00
	Total Expenses FY 2013 - 2014		$ 207,131.72
	Net Income FY 2013 - 2014		**$ 203,178.48**
	FY 2014 - 2015		
FY 2014-2015 Income			
10/27/2014	Rent	$ 34,760.50	
11/28/2014	Rent	$ 34,760.50	
1/5/2015	Rent	$ 34,760.50	
1/26/2015	Rent	$ 34,760.50	
2/26/2015	Rent	$ 34,760.50	
3/24/2015	Rent	$ 34,760.50	
4/27/2015	Rent	$ 34,760.50	
6/1/2015	Rent	$ 34,760.50	
6/23/2015	Rent	$ 34,760.50	
7/21/2015	Rent	$ 35,455.71	
8/26/2015	Rent	$ 35,455.71	
9/29/2015	Rent	$ 35,455.71	
		$ 419,211.63	
Fillmore Parking Lot			
FY 2014-2015 Expenses			

1/8/2015	Fillmore Parking Lease	$ 72,000.00	
1/8/2015	Property Taxes - Fillmore Parking Lot	$ 15,866.28	
			$ 87,866.28

Maintenance and Operations

10/9/2014	Idaho Power - Parking Lot	$ 245.49
10/9/2014	Water - Landscape	$ 325.79
10/9/2014	Parking Lot sweeping	$ 352.00
10/9/2014	Commercial Property Maintenance	$ 2,540.00
11/6/2014	ACCO - HVAC Preventative Maintenance	$ 748.00
11/6/2014	Commercial Property Maintenance	$ 1,440.00
11/6/2014	Parking Lot sweeping	$ 352.00
11/6/2014	Idaho Power - Parking Lot	$ 237.94
11/6/2014	Water - Landscape	$ 187.54
12/3/2014	Water - Landscape	$ 2.15
12/3/2014	Idaho Power - Parking Lot	$ 258.57
12/3/2014	ACCO - Repairs	$ 78.50
12/3/2014	Commercial Property Maintenance	$ 1,090.50
12/3/2014	Snow Removal	$ 320.00
12/3/2014	Parking Lot sweeping	$ 352.00
1/8/2015	ACCO - Repairs	$ 78.50
1/8/2015	Idaho Power - Parking Lot	$ 286.25
1/8/2015	Parking Lot sweeping	$ 440.00
1/8/2015	Lot Painting	$ 150.00
1/8/2015	Snow Removal	$ 722.50
2/4/2015	Idaho Power - Parking Lot	$ 266.89
2/4/2015	Parking Lot sweeping	$ 352.00
2/4/2015	Snow Removal	$ 722.50
2/4/2015	Snow Removal	$ 722.50
2/4/2015	Snow Removal	$ 722.50
3/4/2015	ACCO - HVAC Preventative Maintenance	$ 748.00
3/4/2015	Idaho Power - Parking Lot	$ 257.19
3/4/2014	Parking Lot sweeping	$ 352.00
4/8/2015	Idaho Power - Parking Lot	$ 255.36
4/8/2015	Parking Lot sweeping	$ 352.00
5/6/2015	ACCO - HVAC Preventative Maintenance	$ 748.00
5/6/2015	Commercial Property Maintenance	$ 1,005.00
5/6/2015	Commercial Property Maintenance	$ 1,330.00
5/6/2015	Idaho Power - Parking Lot	$ 235.32
5/6/2015	Parking Lot sweeping	$ 440.00
6/2/2015	Weed Spraying	$ 150.00
6/3/2015	Water - Landscape	$ 331.63
6/3/2015	Commercial Property Maintenance	$ 960.00
6/3/2015	Idaho Power - Parking Lot	$ 202.07
7/9/2015	Water - Landscape	$ 317.04
7/9/2015	Commercial Property Maintenance	$ 1,190.00
7/9/2015	Idaho Power - Parking Lot	$ 206.34
7/9/2015	Parking Lot sweeping	$ 352.00
7/9/2015	Asphalt Repair	$ 6,349.50
8/5/2015	ACCO - HVAC Preventative Maintenance	$ 748.00
8/5/2015	Water - Landscape	$ 457.62
8/5/2015	Water - Landscape	$ 408.41
8/5/2015	Commercial Property Maintenance	$ 1,565.00
8/5/2015	Parking Lot sweeping	$ 440.00
9/9/2015	Commercial Property Maintenance	$ 1,545.00
9/9/2015	Water - Landscape	$ 396.32

9/9/2015	Parking Lot sweeping	$ 352.00	
			$ 34,687.92
Professional Services			
10/9/2014	K & G Management Fees	$ 450.00	
11/6/2014	K & G Management Fees	$ 450.00	
12/3/2014	K & G Management Fees	$ 450.00	
1/8/2015	K & G Management Fees	$ 450.00	
2/4/2015	K & G Management Fees	$ 450.00	
3/4/2015	K & G Management Fees	$ 450.00	
4/8/2015	K & G Management Fees	$ 450.00	
5/6/2015	K & G Management Fees	$ 450.00	
6/3/2015	K & G Management Fees	$ 450.00	
7/9/2015	K & G Management Fees	$ 450.00	
7/9/2015	Real Estate Appraisal	$ 3,500.00	
8/5/2015	K & G Management Fees	$ 450.00	
9/9/2015	K & G Management Fees	$ 450.00	
			$ 8,900.00
Property Taxes			
12/3/2014	Property Taxes - C-3 (50%)	$ 10,140.70	
6/30/2015	Property Taxes - C-3 (50%)	$ 10,140.70	
			$ 20,281.40
Major Maintenance			
9/9/2015	HVAC Unit Replacement	$ 22,490.00	
			$ 22,490.00
	Total FY 2014 -2015 Expenses		$ 174,225.60
	Net Income FY 2014 - 2015		**$ 244,986.03**

FY 2015 - 2016

FY 2015-2016 Income			
10/29/2015	Rent	$ 35,455.71	
11/30/2015	Rent	$ 35,455.71	
12/21/2015	Rent	$ 35,455.71	
1/31/2016	Rent	$ 35,455.71	
2/22/2016	Security Deposit	$ 2,753.71	
2/29/2016	Rent	$ 32,702.13	
3/17/2016	Rent	$ 35,455.71	
4/28/2016	Rent	$ 35,455.71	
5/31/2016	Rent	$ 35,455.71	
6/6/2016	Rent	$ 35,455.71	
15-Jul	Rent	$ 36,164.82	
16-Aug	Rent	$ 36,164.82	
16-Sep	Rent	$ 36,164.82	
		$ 427,595.98	
FY 2015-2016 Expenses			
Fillmore Parking Lot			
1/5/2016	Fillmore Parking Lease	$ 72,000.00	
1/5/2016	Property Taxes - Fillmore Parking Lot	$ 15,871.20	
			$ 87,871.20
Maintenance and Operations			
10/7/2015	Water - Landscape	$ 467.16	

10/7/2015	Parking Lot Seal Coat	$ 4,000.00
10/7/2015	Idaho Power - Parking Lot	$ 208.26
10/8/2015	Tree Maintenance	$ 3,800.00
10/8/2015	Commercial Property Maintenance	$ 1,356.00
10/8/2015	Parking Lot sweeping	$ 440.00
11/3/2015	ACCO - HVAC Preventative Maintenance	$ 748.00
11/3/2015	Parking Lot sweeping	$ 352.00
11/3/2015	Water - Landscape	$ 338.57
11/3/2015	Commercial Property Maintenance	$ 815.00
11/3/2015	Idaho Power - Parking Lot	$ 226.75
12/10/2015	ACCO - Repairs	$ 1,241.50
12/10/2015	Water - Landscape	$ 71.65
12/10/2015	Commercial Property Maintenance	$ 350.00
12/10/2015	Idaho Power - Parking Lot	$ 244.40
12/10/2015	Parking Lot sweeping	$ 352.00
12/10/2015	Snow Removal	$ 1,083.75
12/10/2015	Light Pole Replacement	$ 7,960.00
10/8/2015	Insurance Reimbursement	$ (7,960.00)
1/5/2016	ACCO - Repairs	$ 253.56
1/5/2016	ACCO - Repairs	$ 78.50
1/5/2016	ACCO - Repairs	$ 346.47
1/5/2016	Idaho Power - Parking Lot	$ 249.05
1/5/2016	Parking Lot sweeping	$ 264.00
1/5/2016	Snow Removal	$ 722.50
1/5/2016	Snow Removal	$ 722.50
1/5/2016	Snow Removal	$ 361.25
2/2/2016	ACCO - HVAC Preventative Maintenance	$ 748.00
2/2/2016	Idaho Power - Parking Lot	$ 251.35
2/2/2016	Parking Lot sweeping	$ 352.00
2/2/2016	Snow Removal	$ 722.50
3/17/2016	Idaho Power - Parking Lot	$ 260.33
3/17/2015	Parking Lot sweeping	$ 352.00
3/17/2016	Light Pole Repair	$ 1,735.46
4/6/2016	ACCO - HVAC Preventative Maintenance	$ 748.00
4/6/2016	Idaho Power - Parking Lot	$ 233.76
4/6/2016	Parking Lot sweeping	$ 352.00
4/6/2015	Snow Removal	$ 722.50
4/18/2016	Parking Lot sweeping	$ 88.00
5/4/2016	Parking Lot sweeping	$ 352.00
5/4/2016	Idaho Power - Parking Lot	$ 217.86
5/4/2016	Weed Spraying	$ 150.00
5/4/2016	Commercial Property Maintenance	$ 2,625.00
6/8/2016	Water - Landscape	$ 294.49
6/8/2016	Commercial Property Maintenance	$ 1,530.00
6/8/2016	Idaho Power - Parking Lot	$ 232.61
6/8/2016	Parking Lot sweeping	$ 352.00
6/8/2016	Asphalt Repairs	$ 2,500.00
7/6/2016	ACCO - Repairs	$ 78.50
7/6/2016	ACCO - Repairs	$ 78.50
7/6/2016	Water - Landscape	$ 399.22
7/6/2016	Commercial Property Maintenance	$ 1,475.00
7/6/2016	Idaho Power - Parking Lot	$ 241.59
7/6/2016	Parking Lot sweeping	$ 440.00
8/6/2016	Idaho Power - Parking Lot	$ 232.61
8/6/2016	Water - Landscape	$ 400.00
8/6/2016	Parking Lot sweeping	$ 440.00
8/6/2016	Commercial Property Maintenance	$ 1,500.00

8/6/2016	ACCO - HVAC Preventative Maintenance	$ 748.00	
9/6/2016	Idaho Power - Parking Lot	$ 232.61	
9/6/2016	Water - Landscape	$ 400.00	
9/6/2016	Parking Lot sweeping	$ 440.00	
9/6/2016	Commercial Property Maintenance	$ 1,500.00	
9/6/2016	ACCO - HVAC Preventative Maintenance	$ 748.00	
			$ 43,266.76
Professional Services			
10/8/2015	K & G Management Fees	$ 450.00	
11/3/2015	K & G Management Fees	$ 450.00	
12/10/2015	K & G Management Fees	$ 450.00	
1/5/2016	K & G Management Fees	$ 450.00	
2/2/2016	K & G Management Fees	$ 450.00	
3/17/2016	K & G Management Fees	$ 450.00	
4/6/2016	K & G Management Fees	$ 450.00	
5/4/2016	K & G Management Fees	$ 450.00	
6/27/2016	K & G Management Fees	$ 450.00	
7/6/2016	K & G Management Fees	$ 450.00	
8/6/2016	K & G Management Fees	$ 450.00	
9/6/2016	K & G Management Fees	$ 450.00	
			$ 5,400.00
Property Taxes			
6/8/2016	Property Taxes - C-3 (50%)	$ 10,272.08	
6/8/2016	Property Taxes - C-3 (Supplemental)	$ 216.04	
			$ 10,488.12
Major Maintenance			
10/7/2015	Asphalt Repairs	$ 23,913.19	
			$ 23,913.19
	Total FY 2015 - 2016 Expenses		$ 170,939.27
	Net Income FY 2015 - 2016		**$ 256,656.71**

	FY 2016 - 2017		
FY 2016-2017 Income			
October	Rent	$ 36,164.82	
November	Rent	$ 36,164.82	
December	Rent	$ 36,164.82	
Janaury	Rent	$ 36,164.82	
February	Rent	$ 36,164.82	
March	Rent	$ 36,164.82	
April	Rent	$ 36,164.82	
May	Rent	$ 36,164.82	
June	Rent	$ 36,888.12	
July	Rent	$ 36,888.12	
August	Rent	$ 36,888.12	
September	Rent	$ 36,888.12	
		$ 436,871.03	
FY 2016-2017 Expenses			
Fillmore Parking Lot			
1/1/2017	Fillmore Parking Lease	$ 72,000.00	
1/5/2016	Property Taxes - Fillmore Parking Lot	$ 15,950.00	

			$ 87,950.00
Maintenance and Operations		$ 44,000.00	
			$ 44,000.00
Professional Services		$ 11,000.00	
			$ 11,000.00
Property Taxes		$ 22,000.00	
			$ 22,000.00
Major Maintenance		$ 56,000.00	
			$ 56,000.00
	Estiamted Expenses		$ 220,950.00
	Estimated Net Income FY 2016-2107		**$ 215,921.03**

FY 2017 -2018

FY 2017-2018 Income			
October	Rent	$ 36,888.12	
November	Rent	$ 36,888.12	
December	Rent	$ 36,888.12	
Janaury	Rent	$ 36,888.12	
February	Rent	$ 36,888.12	
March	Rent	$ 36,888.12	
April	Rent	$ 36,888.12	
May	Rent	$ 36,888.12	
June	Rent	$ 36,888.12	
July	Rent	$ 37,625.88	
August	Rent	$ 37,625.88	
September	Rent	$ 37,625.88	
		$ 444,870.72	
FY 2017-2018 Expenses			
Fillmore Parking Lot			
1/1/2018	Fillmore Parking Lease	$ 124,630.00	
1/1/2018	Property Taxes - Fillmore Parking Lot	$ 16,000.00	
			$ 140,630.00
Maintenance and Operations		$ 44,000.00	
			$ 44,000.00
Professional Services		$ 11,000.00	
			$ 11,000.00
Property Taxes		$ 22,000.00	
			$ 22,000.00
Major Maintenance		$ 56,000.00	
			$ 56,000.00
	Total Expenses FY 2017 - 2018		$ 273,630.00
	Net Income FY 2017 -2018		**$ 171,240.72**

FY 2018 -2019

FY 2018-2019 Income			
October	Rent	$ 37,625.88	
November	Rent	$ 37,625.88	
December	Rent	$ 37,625.88	
Janaury	Rent	$ 37,625.88	

February	Rent	$ 37,625.88	
March	Rent	$ 37,625.88	
April	Rent	$ 37,625.88	
May	Rent	$ 37,625.88	
June	Rent	$ 37,625.88	
July	Rent	$ 38,378.40	
August	Rent	$ 38,378.40	
September	Rent	$ 38,378.40	
		$ 453,768.12	
FY 2018-2019	Expenses		
Fillmore Parking Lot			
1/1/2019	Fillmore Parking Lease	$ 124,630.00	
1/1/2019	Property Taxes - Fillmore Parking Lot	$ 16,050.00	
			$ 140,680.00
Maintenance and Operations		$ 44,000.00	
			$ 44,000.00
Professional Services		$ 11,000.00	
			$ 11,000.00
Property Taxes		$ 22,000.00	
			$ 22,000.00
Major Maintenance		$ 56,000.00	
			$ 56,000.00
	Total Expenses FY 2018 - 2019		$ 273,680.00
	Net Income FY 2018- 2019		**$ 180,088.12**

FY 2019 - 2020

FY 2019-2020 Income			
October	Rent	$ 38,378.40	
November	Rent	$ 38,378.40	
December	Rent	$ 38,378.40	
Janaury	Rent	$ 38,378.40	
February	Rent	$ 38,378.40	
March	Rent	$ 38,378.40	
April	Rent	$ 38,378.40	
May	Rent	$ 38,378.40	
June	Rent	$ 38,378.40	
July	Rent	$ -	
August	Rent	$ -	
September	Rent	$ -	
		$ 345,405.60	
FY 2019-2020 Expenses			
Fillmore Parking Lot			
1/1/2020	Fillmore Parking Lease	$ 124,630.00	
	Property Taxes - Fillmore Parking Lot	$ 16,100.00	
			$ 140,730.00
Maintenance and Operations		$ 33,000.00	
			$ 33,000.00
Professional Services		$ 8,250.00	

		$ 8,250.00
Property Taxes	$ 16,500.00	
		$ 16,500.00
Major Maintenance	$ 42,000.00	
		$ 42,000.00
Total Estimated Expenses FY 2019-2020		$ 240,480.00
Estimated Net Income FY 2019 - 2020		**$ 104,925.60**

Cumulative Net Income FY 2016 -2017 Through 2019- 2020		$ 672,175.47
Beginnig Cash FY 2016 -2017		$ 554,000.00
Total Resounces Available		$ 1,226,175.47
Estimated 2015 Value (unburdened) Volmer		$ 4,300,000.00
Estimated 2015 Value (unburdened) Koutnik		$ 4,000,000.00
Cash Plus asset Value (Kouotnik Value)		$ 5,226,175.47
Cash Plus asset Value (Volmer Value)		$ 5,526,175.47
FY 2020 - 2022 Potential Fillmore Obligation		
Balance of Fillmore Parking Lease	$ 249,260.00	
Property Taxes - Fillmore Parking Lot	$ 32,200.00	
		$ 281,460.00
Net Cash after Fillmore Obligation (Koutnik Value)		$ 4,944,715.47
Net Cash after Fillmore Obligation (Volmer Value)		$ 5,244,715.47
Discounted 2016 Sale as per Koutnik Appraisal		$ 2,260,000.00
Foregone Opportunity (Volmer Value)		$ 2,984,715.47
Foregone Opportunity (Volmer Value)		$ 2,684,715.47

	4%Inflation	4% inflation
2016	#########	$ 4,300,000.00
2017	#########	$ 4,472,000.00
2018	#########	$ 4,650,880.00
2019	#########	$ 4,836,915.20
2020	#########	$ 5,030,391.81
	#########	$ 1,237,175.47
	$ 5,916,609.71	$ 6,267,567.28