



Date: Monday, October 22, 2012
To: Honorable Mayor and City Council
From: Travis Rothweiler, City Manager

Request:

Consideration of Resolution 1895, a Resolution of the City Council to create a local improvement district (LID) as requested by petition by Chobani.

Time Estimate:

The City Manager's presentation will take approximately 10 minutes in addition to time needed to answer questions.

Background:

Over the course of the past several months, the City of Twin Falls and the Twin Falls Urban Renewal Agency have been working with representatives from Chobani and Zion's Bank to develop a long-term funding plan designed to cover the costs of the public infrastructure improvements being financed with tax increment funds. The proposal before the City Council is the culmination of the collective efforts.

Since the announcement and execution of the development agreement, Chobani has been covering the upfront costs of the improvements by providing advances to the Agency. This short term financing has allowed the City and the Agency to make the improvements prior to the development and creation of a long-term funding solution being in place.

The City Council has received a petition from Chobani requesting the formation of a modified local improvement district. In a traditional LID, the improvements made are typically contained within the LID boundary, which is approximately the 20 acres +/- contained in the Chobani facility building footprint. In a modified LID, the improvements extend beyond the LID boundary. The improvements outside of the LID boundary include the water system improvements, waste water system improvements, roadway improvements, and utility system improvements. These improvements will benefit more than Chobani.

The creation of the local improvement district will provide the security required by Zion's bank for them to underwrite the TIF bonds. The LID recognizes that improvements to the sewer system, water system, related utility extensions, road and other facilities and related improvements are necessary and beneficial.

By adopting the resolution tonight, the City Council accepts Chobani's petition and request to initiate the creation of an LID District. It also recognizes the value of the property included within the boundaries of the proposed LID district are more than sufficient to cover the total costs and expenses for acquiring, constructing and installing the public infrastructure improvements.

The attached Resolution, Petition and corresponding documents have been reviewed by Fritz Wonderlich, Twin Falls City Attorney, and Rick Skinner, Bond Counsel.

Approval Process:

Approval of the proposed Ordinance requires a simple majority vote of the City Council members present.

Budget Impact:

There are no budgetary or financial impacts to the City for recognizing the petition and creating an LID. The LID is secured with real property owned by Chobani. There is no financial liability or financial exposure to the City of Twin Falls or the Twin Falls URA.

Additionally, all of the costs and expenses for creating the LID, including "...engineering, collection of assessments, clerical, printing, advertising, inspection, collecting assessments and interest thereon, reserves, interest and other financing costs, legal services for preparing proceedings and advising in regard thereto and contingencies deemed necessary..." will be reimbursed with bond proceeds.

Regulatory Impact:

The City's ability to create a local improvement district is provided for in Title 50, Chapter 17. Resolution 1895 states the City intent to create a "modified district," as provided for in Section 50-1705.

50-1705. Modified district. Whenever any local improvement shall be of such nature and character that the special benefits resulting therefrom extend beyond the boundaries of the property abutting the improvement or whenever the special benefits do not accrue to some or all properties abutting the improvements, but to other properties, the council may create a modified local improvement district, which shall include as near as may be determined all the property especially benefited by such improvements. Provided however, that by unanimous agreement of the property owners to be assessed, properties may be included or excluded from the local improvement district regardless of whether they are specially benefited by the improvements. When such district is created, all property therein shall be assessed for a portion of the cost and expenses of such improvements, to be determined and fixed by the council when the district is created.

Conclusion:

Staff recommends the adoption of Resolution 1895.

Attachments:

1. Twin Falls City Council Resolution 1895, with Exhibits A, B, & C
2. Petition to Create a local improvement district signed by Chobani
3. Letter from James McConeghy, Chobani's Chief Financial Officer, certifying value of project exceeds \$75 million, as described in Resolution 1895

RESOLUTION NO. 1895

BY THE CITY COUNCIL:

A RESOLUTION DECLARING THE INTENTION OF THE TWIN FALLS CITY COUNCIL TO CREATE LOCAL IMPROVEMENT DISTRICT NO. 2012-1 FOR THE CITY OF TWIN FALLS, IDAHO, FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND INSTALLING CERTAIN SEWER SYSTEM, PRE-TREATMENT SYSTEM, WATER SYSTEM, RELATED UTILITY EXTENSIONS, AND ROAD IMPROVEMENTS AND OTHER RELATED FACILITIES AND IMPROVEMENTS; PROVIDING THE KIND AND CHARACTER OF THE PROPOSED IMPROVEMENTS; DESCRIBING THE BOUNDARIES OF, AND THE PROPERTY TO BE BENEFITED BY, THE PROPOSED DISTRICT; PROVIDING THAT THE TOTAL ESTIMATED COSTS AND EXPENSES OF SAID IMPROVEMENTS ARE TO BE ASSESSED AGAINST THE LANDS TO BE BENEFITED BY SAID IMPROVEMENTS; PROVIDING THE METHOD BY WHICH THE COSTS AND EXPENSES OF THE IMPROVEMENTS ASSESSABLE ARE TO BE PAID; FIXING A TIME IN WHICH PROTESTS AGAINST SAID IMPROVEMENTS, OR THE CREATION OF SAID PROPOSED DISTRICT, MAY BE FILED IN THE OFFICE OF THE CITY CLERK; FIXING A TIME WHEN SUCH PROTESTS SHALL BE HEARD AND CONSIDERED BY THE COUNCIL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "Council") of the City of Twin Falls, Idaho (the "City") has received a petition (the "Petition") of Chobani Idaho, Inc. (the "Owner") of certain property in the City requesting the formation of a local improvement district, and the Council has determined and hereby specifically finds that the creation of a Local Improvement District No. 2012-1 (the "District") to acquire, construct and install certain sewer system, pre-treatment system, water system, related utility extensions, road and other facilities and related improvements (the "Project") is necessary and beneficial to the property owners within the boundaries of the proposed District, that the City should accept the Petition and initiate the creation of said District, and that there appeared to be reasonable probability based upon the value of the property included within the boundaries of the proposed District that the total costs and expenses for acquiring, constructing and installing the proposed Project would be paid; and,

WHEREAS, the City has determined that it is in the best interests of the City and the owners of property within said proposed District that the District be a "modified district" pursuant to Section 50-1705, Idaho Code, that such District shall include all the property especially benefited by the Project, and that all property within such District shall be assessed for the costs and expenses of such Project in accordance with the uniform square foot method and the special benefits to such property; and,

WHEREAS, the total costs and expenses of the proposed Project, together with costs and expenses incurred for equipment, engineering, clerical, printing, advertising, inspection, collecting

assessments and interest thereon, reserves, interest and other financing costs, legal services for preparing proceedings and advising in regard thereto, and contingencies deemed necessary by the Council are to be levied against and assessed upon the parcels and tracts of property within the proposed District on the basis that the total costs and expenses of said Project shall be divided and assessed according to the uniform square foot method (dividing the total amount of said costs and expenses and assessing each owner based on the number of square feet of property owned) and such assessment will thereby be based on the benefits derived to such property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TWIN FALLS, IDAHO:

SECTION 1. That it is the intention of the Council to create the District, pursuant to the Petition, by this Resolution, as a modified district pursuant to Section 50-1705, Idaho Code, for the purpose of acquiring, constructing and installing the following described public improvements in the City, within and adjacent to the boundaries of the proposed District, all of which are more specifically described below:

(a) **BOUNDARIES:** See the description attached hereto as Exhibit A and made a part hereof.

(b) **PROJECT:** The acquisition, installation and construction of sewer system, pre-treatment system, water system, related utility extensions, and road improvements and other related facilities and improvements to benefit the property within the District.

(c) **ESTIMATED COST:** The total estimated cost of the said Project is \$32,509,000, including all costs of acquisition, construction, engineering, consulting, inspection, legal, collection of assessments, clerical, interest and other financing costs, reserves and related costs of which the sum of \$-0- will be paid from federal and/or state grants or other funds, and the remaining \$32,509,000 shall be paid from assessments levied upon property located within the District and to be benefited by the Project in accordance with the uniform square foot method of assessment which is based on the benefits derived.

(d) **VALUE OF PROPERTY:** The Council finds and declares that the value of the property within the said District is not less than \$75,000,000 for costs of real property and improvements thereon based on information received from the Owner, Chobani Idaho, Inc.

SECTION 2. That the plan of acquisition, installation and construction of the Project is subject to change and modification by the Council, and the Council hereby reserves such right to so change and modify, based upon the feasibility of acquisition, installation and construction and the present and future requirements and needs for the Project, coupled with the expectation that in all probability all costs and expenses of the acquisition, installation and construction of the proposed Project will be paid.

SECTION 3. That the costs and expenses of the Project herein provided shall be levied and assessed in the manner provided by Chapter 17, Title 50, Idaho Code, and that the total costs and

expenses of all the Project in the proposed District, including the contract price of said Project together with costs and expenses incurred for equipment, engineering, clerical services, advertising, printing, inspection, collecting assessments and interest thereon, financing costs, reserves, legal services for preparing the proceedings and advising in regard thereto, and contingencies deemed necessary by the Council, are estimated to be \$32,509,000, although such amount may increase or decrease after final contracts are entered into and final bills are received. That of the estimated costs and expenses of said Project herein proposed to be made, \$32,509,000 or approximately 100% of the total cost, together with interest at the rate to be fixed and determined by the Council (upon the sale and issuance of bonds) shall be paid by each person or entity who is an owner of property within the boundaries of said proposed District, by levying upon and assessing against each owner of such real property within the District on the uniform square foot method based on benefits derived from the Project. Said formula is for the total of all said costs of the Project to be divided by the total number of square feet of real property in the District and then multiplied by the number of square feet held by each owner within the District. Currently there is only the Owner within the District and all payments on assessments, if any would be paid by said Owner. It is expected that local improvement bonds ("LID Bonds") will be issued by the City for the District to finance the Project and that simultaneously therewith, bonds of the Urban Renewal Agency of the City of Twin Falls, Idaho (the "URA Bonds") will be issued for the Project. It is further expected that as long as payments are made on the URA Bonds, such payments will be a credit against said assessments and payments of the LID Bonds.

SECTION 4. That the general character of the acquisition, construction and installation of the Project includes those specified in Section 1 hereof, and all of the above-described Project shall be acquired, constructed and installed under the direction and supervision and to the satisfaction of the Engineer of the City and in accordance with the plans and specifications provided or approved by said Engineer for the foregoing Project.

SECTION 5. That the Council intends to issue the LID Bonds in payment of the costs and expenses of the aforesaid Project to be assessed upon each parcel of real property within said District in the manner provided by and as described in Chapter 17, Title 50, Idaho Code, as amended.

SECTION 6. That the City Clerk is hereby instructed to mail to each owner of the property within the District and to have published an official Notice of Hearing of the Intention to create the District in substantially the following form in the Times-News, the official newspaper for the City, for three (3) consecutive publications, the first of such publications to be not less than ten (10) days prior to the date of holding the hearing upon said Notice of Intention to create said District:

[FORM OF NOTICE OF INTENTION AND HEARING]

NOTICE IS HEREBY GIVEN that the City Council ("Council") of the City of Twin Falls, Idaho, respectively adopted and approved its Resolution on the 22nd day of October, 2012, which, among other things, established and provided for the following:

Notice of Hearing: At a hearing to be held by the Council on the 5th day of November, 2012, at 6:00 o'clock p.m., or as soon thereafter as all objections and protests may be heard, at the City Hall, Council Chambers, 321 Second Avenue East, in the City of Twin Falls, Idaho, the Council shall hold a hearing to consider all protests and objections filed in writing for the creation of Local Improvement District No. 2012-1 (the "District") for the acquisition, installation and construction of sewer system, pre-treatment system, water system, related utility extensions, and road improvements and other related facilities and improvements. The Council reserves the right to adjourn the hearing from time to time to a fixed future time and place until all protests and objections have been heard. Owners of property to be assessed and situated within the boundaries of the proposed District hereinafter described have up to and including the hour of 5:00 o'clock p.m. on the day of said hearing, to file with the Twin Falls City Clerk, City Hall, 321 Second Avenue East, Twin Falls, Idaho, written protests and objections to the creation of the said District, or to the acquisition of said property or making of the improvements proposed to be constructed and installed within the said District, or making any other protests and objections in relationship to the Council's intent to create said District.

Modified District; Boundaries: The District will be a "Modified District" within the meaning of Idaho Code Section 50-1705. A description of the boundaries of the proposed District to be created and the property within said District to be assessed for a portion of the total costs and expenses of the aforesaid improvements are described as follows:

- (a) District Boundaries: The boundaries are as set forth on Exhibit A attached hereto.
- (b) Property to be Assessed: All property within the District subject to assessment under Title 50, Chapter 17, Idaho Code.

Description of Project: The acquisition, installation and construction of sewer system, pre-treatment system, water system, related utility extensions, road improvements and other related facilities and improvements to benefit the property within the District.

Estimated Costs: The probable costs and expenses of the above acquisition and construction of the Project together with costs and expenses incurred for equipment, engineering, clerical services, advertising, printing, inspection, collecting assessments and interest thereon, financing costs, reserves, legal services for preparing the proceedings and advising in regard thereto are estimated to be \$32,509,000, of which other grant or funding sources will pay approximately \$-0- and \$32,509,000 will be paid from assessments on property within the District.

Method of Assessment: The method of assessment as to each parcel within the District will be by the uniform square foot method based on benefits derived from the Project. Said formula is for the total of all said costs of the Project to be divided by the total number of square feet of real property in the District and then multiplied by the number of square feet held by each owner within the District. It is expected that local improvement bonds ("LID Bonds") will be issued by the District to finance the Project and that simultaneously therewith, bonds of the Urban Renewal Agency of the City of Twin Falls, Idaho (the "URA Bonds") will be issued for the Project. It is further

expected that as long as payments are made on the URA Bonds, such payments will be a credit against payments of installments on said assessments and payments of the LID Bonds.

Additional Information: Anyone desiring further information pertinent to said intent to create said District may examine, or receive a copy of, the Resolution on file in the office of the City Clerk, Twin Falls City Hall, 321 Second Avenue East, Twin Falls, Idaho.

DATED this _____ day of October, 2012.

/s/ _____
CITY CLERK

[attach an Exhibit A with legal descriptions and map from Exhibit A to this Resolution]

[END OF FORM OF NOTICE]

SECTION 7. That the City Clerk is hereby directed and instructed to mail a copy of the Notice provided in Section 6 hereof at least ten (10) days prior to the time fixed for the hearing of the intention of the Council to create said District to each owner of property determined as of the date of adoption of this Resolution of Intent to so create said District addressed to such person.

SECTION 8. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

ADOPTED by the City Council of the City, of Twin Falls, Idaho, this 22nd day of October, 2012.

APPROVED:

By: _____
MAYOR OF THE CITY OF TWIN FALLS,

IDAHO
ATTEST:

By: _____
CITY CLERK

(S E A L)

EXHIBIT "A"

Description of Boundaries of District

The District's boundaries shall be as specifically described in Schedule A-1 hereto. The map set forth in Schedule A-2 hereto is an area map showing generally the location of the District.

(The remainder of this page left blank intentionally.)

SCHEDULE A-1

Boundary Description

A parcel of land located in a portion of the N2, Section 24, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

Commencing at the Northeast corner of Section 24. Said point lies South 89° 48' 09" East 2699.49 feet from the North quarter corner of Section 24. Thence North 89° 48' 09" West 2234.39 feet; Thence South 00° 00' 00" East 478.51 feet to the REAL POINT OF BEGINNING.

Thence South 00° 00' 00" East 139.25 feet;

Thence North 90° 00' 00" East 38.62 feet;

Thence South 00° 00' 00" West 486.08 feet;

Thence North 90° 00' 00" East 18.00 feet;

Thence South 00° 00' 00" East 38.00 feet;

Thence South 90° 00' 00" West 18.00 feet;

Thence South 00° 00' 00" West 674.50 feet;

Thence South 90° 00' 00" West 221.48 feet;

Thence South 00° 00' 00" East 39.67 feet;

Thence South 90° 00' 00" West 61.44 feet;

Thence North 00° 00' 00" East 39.67 feet;

Thence North 90° 00' 00" West 530.67 feet;

Thence North 00° 00' 00" West 390.75 feet;

Thence South 90° 00' 00" West 21.42 feet;

Thence North 00° 00' 00" East 39.67 feet;

Thence North 90° 00' 00" East 21.42 feet;

Thence North 00° 00' 00" West 267.83 feet;

Thence South 90° 00' 00" West 121.50 feet;

Thence North 00° 00' 00" East 132.50 feet;

Thence North 90° 00' 00" East 359.18 feet;

Thence North 00° 00' 00" East 194.61 feet;

Thence North 90° 00' 00" East 269.07 feet;

Thence North 00° 00' 00" East 173.22 feet;

Thence North 90° 00' 00" East 37.00 feet;

Thence North 00° 00' 00" East 42.31 feet;

Thence North 90° 00' 00" East 25.28 feet;

Thence North 00° 00' 00" East 96.94 feet;

Thence North 90° 00' 00" East 205.94 feet to the REAL POINT OF BEGINNING.

The above described parcel contains 20.45 Acres +/- (890,930 Sq. Ft.)

The foregoing property is to be benefited by a Non-Exclusive Ingress/Egress Easement covering parcel A, attached hereto.

The foregoing property is also to be benefited by a Non-Exclusive Parking Area Easement, covering parcel B, attached hereto.

Parcel A:

A parcel of land located in a portion of the N2, Section 24, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

Commencing at the North quarter corner of Section 24. Said point lies South 89° 48' 09" East 2699.49 feet from the Northeast corner of Section 24. Thence South 00° 08' 34" East 50.00 feet to a point on the Southerly right of way line of State Highway 30 and the REAL POINT OF BEGINNING.

Thence South 89° 49' 31" East 34.89 feet along said right of way line;

Thence South 00° 07' 03" East 109.83 feet;

Thence along a curve to the right

$\Delta - 42^{\circ}01'03''$

A – 128.34

R – 175.00

C- 125.48

LCB - South 20° 53' 29" West

Thence South 41° 54' 00" West 74.74 feet;

Thence along a curve to the left

$\Delta - 42^{\circ}01'48''$

A – 154.05

R – 210.00

C- 150.62

LCB - South 20° 53' 06" West

Thence South 00° 07' 48" East 46.79 feet;

Thence South 89° 56' 48" West 30.24 feet;

Thence North 00° 10' 18" East 59.54 feet;

Thence along a curve to the right

$\Delta - 41^{\circ}38'04''$

A – 152.60

R – 210.00

C- 149.26

LCB - North 20° 59' 21" East

Thence North 41° 48' 23" East 49.77 feet.

Parcel B:

A parcel of land located in a portion of the N2, Section 24, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

Commencing at the Northeast corner of Section 24. Said point lies South 89° 48' 09" East 2699.49 feet from the North quarter corner of Section 24. Thence North 89° 48' 09" West 2674.60 feet; Thence South 00° 00' 00" East 520.09 feet to the REAL POINT OF BEGINNING.

Thence South 00° 23' 05" East 63.99 feet;

Thence South 89° 57' 48" East 100.48 feet;

Thence South 00° 09' 14" West 148.36 feet;

Thence North 90° 00' 00" East 71.47 feet;

Thence South 00° 00' 00" East 60.00 feet;

Thence South 90° 00' 00" West 578.62 feet;

Thence North 00° 01' 58" West 272.03 feet;

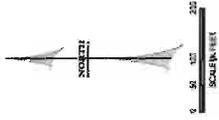
Thence North 89° 56' 48" East 406.79 feet to the REAL POINT OF BEGINNING.

The above described parcel contains 3.12 Acres +/- (135,994 Sq. Ft.)

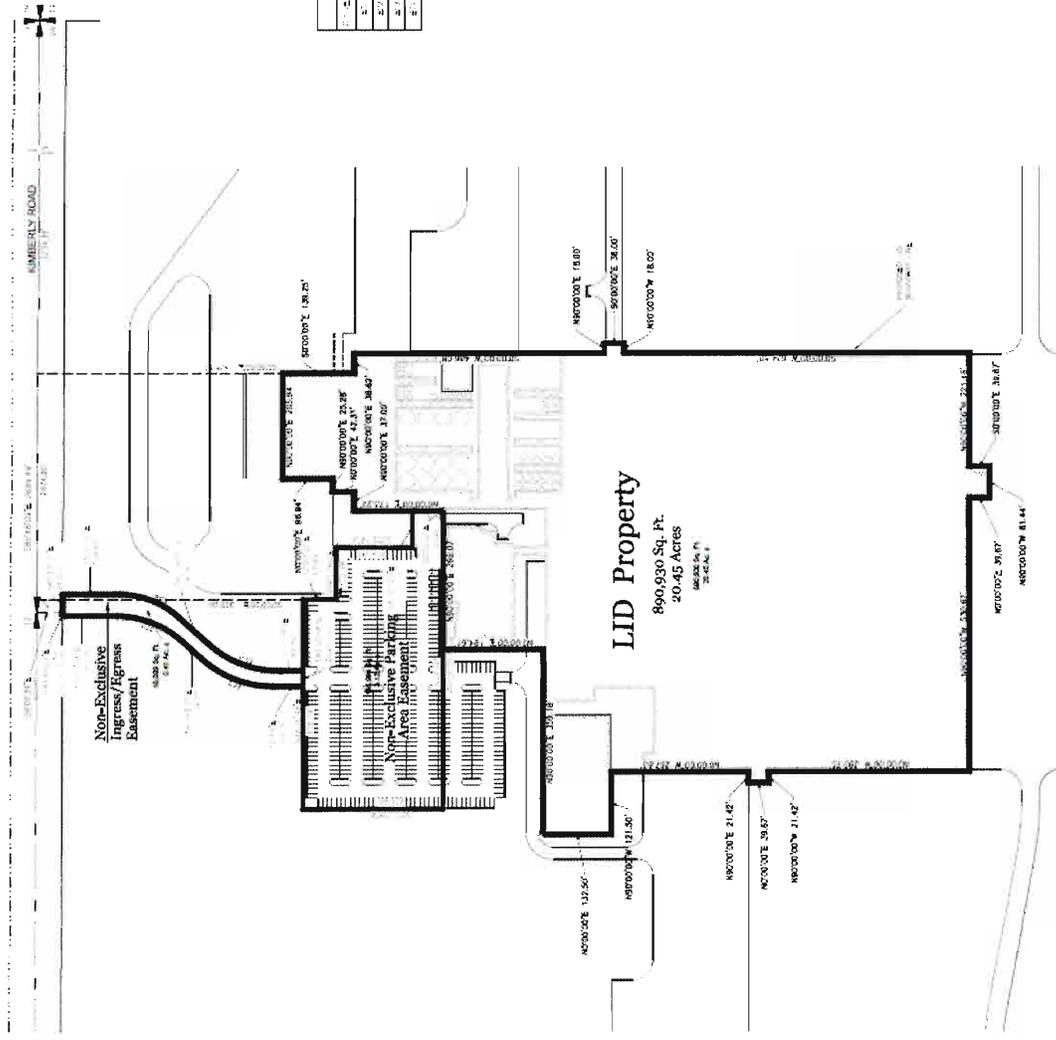
SCHEDULE A-2

General Area Map

(Attached)



| LINE NO. | BEARING | DISTANCE | AREA (SQ. FT.) | PERCENT |
|----------|-------------|----------|----------------|---------|
| 1 | N89°00'00"E | 131.50' | 17,100.00 | 19.10% |
| 2 | N00°00'00"W | 121.50' | 14,925.00 | 16.70% |
| 3 | N87°00'00"E | 21.42' | 2,667.84 | 3.00% |
| 4 | N00°00'00"W | 39.97' | 4,976.25 | 5.60% |
| 5 | N87°00'00"E | 21.42' | 2,667.84 | 3.00% |
| 6 | N00°00'00"W | 121.50' | 14,925.00 | 16.70% |
| 7 | N89°00'00"E | 131.50' | 17,100.00 | 19.10% |
| 8 | N00°00'00"W | 18.00' | 2,250.00 | 2.50% |
| 9 | S00°00'00"E | 38.00' | 4,620.00 | 5.20% |
| 10 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 11 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 12 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 13 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 14 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 15 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 16 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 17 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 18 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 19 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 20 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 21 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 22 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 23 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 24 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 25 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 26 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 27 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 28 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 29 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 30 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 31 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 32 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 33 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 34 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 35 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 36 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 37 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 38 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 39 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 40 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 41 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 42 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 43 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 44 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 45 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 46 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 47 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 48 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 49 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 50 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 51 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 52 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 53 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 54 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 55 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 56 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 57 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 58 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 59 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 60 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 61 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 62 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 63 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 64 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 65 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 66 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 67 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 68 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 69 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 70 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 71 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 72 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 73 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 74 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 75 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 76 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 77 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 78 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 79 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 80 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 81 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 82 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 83 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 84 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 85 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 86 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 87 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 88 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 89 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 90 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 91 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 92 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 93 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 94 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 95 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 96 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 97 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 98 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |
| 99 | N00°00'00"W | 38.00' | 4,620.00 | 5.20% |
| 100 | N89°00'00"E | 18.00' | 2,250.00 | 2.50% |

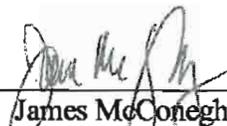


PETITION TO CREATE MODIFIED LOCAL IMPROVEMENT DISTRICT

The undersigned, being the sole owner of the property set forth and described on Exhibit "A" hereto (the "Property") and depicted on the map attached hereto as Exhibit "B", does hereby petition the City of Twin Falls, Idaho to take the necessary actions under Title 50, Chapter 17, Idaho Code, as amended (the "Law"), to create a Local Improvement District (the "District") as a "modified local improvement district" under Section 50-1705, Idaho Code, for the purpose of making certain improvements, with boundaries the same as the boundaries of the Property and under which all of said Property shall be assessed. The improvements shall include acquisition and construction of water lines and meters, sewer system treatment and pre-treatment improvements and related utility extensions and improvements, sewer lines, road improvements; and related equipment, engineering, legal and financing costs as well as other related improvements, bond transaction costs, reserves, interest and related items described in further detail on Exhibit "C" hereto (the "Project"), with an estimated value in the amount of at least \$32,509,000. The actions of the District shall include the financing of the Project through the assessments and related local improvement bonds (the "LID Bonds"). It is understood that there is expected to be a credit against payments due on the assessments and the LID Bonds for related payments made on bonds of the Urban Renewal Agency of the City of Twin Falls, Idaho to be issued for the Project.

Dated this 22nd day of October, 2012.

CHOBANI IDAHO, INC., formerly Agro-Farma Idaho, Inc. , an Idaho corporation

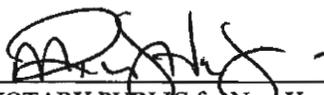

BY: James McConeghy
ITS: Chief Financial Officer

STATE OF New York)
) ss.
County of Chenango)

On this 22nd day of October, 2012, before me, the undersigned Notary Public, personally appeared James McConeghy to me known to be the Chief Financial Officer of Chobani Idaho, Inc., who executed the corporate name to the within instrument for the purposes therein contained, and acknowledged to me that he executed this instrument on behalf of said corporation.

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

(SEAL)


NOTARY PUBLIC for New York
Residing at Chenango County, therein.
My Commission Expires: 2/20/15

MARCY J. HAGENBUCH
Notary Public, State of New York
Qualified in Chenango County
No. 01HA6161264
Commission Expires Feb. 27, 2015

EXHIBIT "A"

Legal Description of Property of Modified Local Improvement District

A parcel of land located in a portion of the N2, Section 24, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:
Commencing at the Northeast corner of Section 24. Said point lies South 89° 48' 09" East 2699.49 feet from the North quarter corner of Section 24. Thence North 89° 48' 09" West 2234.39 feet; Thence South 00° 00' 00" East 478.51 feet to the REAL POINT OF BEGINNING.

Thence South 00° 00' 00" East 139.25 feet;
Thence North 90° 00' 00" East 38.62 feet;
Thence South 00° 00' 00" West 486.08 feet;
Thence North 90° 00' 00" East 18.00 feet;
Thence South 00° 00' 00" East 38.00 feet;
Thence South 90° 00' 00" West 18.00 feet;
Thence South 00° 00' 00" West 674.50 feet;
Thence South 90° 00' 00" West 221.48 feet;
Thence South 00° 00' 00" East 39.67 feet;
Thence South 90° 00' 00" West 61.44 feet;
Thence North 00° 00' 00" East 39.67 feet;
Thence North 90° 00' 00" West 530.67 feet;
Thence North 00° 00' 00" West 390.75 feet;
Thence South 90° 00' 00" West 21.42 feet;
Thence North 00° 00' 00" East 39.67 feet;
Thence North 90° 00' 00" East 21.42 feet;
Thence North 00° 00' 00" West 267.83 feet;
Thence South 90° 00' 00" West 121.50 feet;
Thence North 00° 00' 00" East 132.50 feet;
Thence North 90° 00' 00" East 359.18 feet;
Thence North 00° 00' 00" East 194.61 feet;
Thence North 90° 00' 00" East 269.07 feet;
Thence North 00° 00' 00" East 173.22 feet;
Thence North 90° 00' 00" East 37.00 feet;
Thence North 00° 00' 00" East 42.31 feet;
Thence North 90° 00' 00" East 25.28 feet;
Thence North 00° 00' 00" East 96.94 feet;
Thence North 90° 00' 00" East 205.94 feet to the REAL POINT OF BEGINNING.

The above described parcel contains 20.45 Acres +/- (890,930 Sq. Ft.)

The foregoing property is benefited by a Non-Exclusive Ingress/Egress Easement, covering parcel A, attached hereto.

The foregoing property is also benefited by a Non-Exclusive Parking Area Easement, covering parcel B, attached hereto.

Parcel A:

A parcel of land located in a portion of the N2, Section 24, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

Commencing at the North quarter corner of Section 24. Said point lies South 89° 48' 09" East 2699.49 feet from the Northeast corner of Section 24. Thence South 00° 08' 34" East 50.00 feet to a point on the Southerly right of way line of State Highway 30 and the REAL POINT OF BEGINNING.

Thence South 89° 49' 31" East 34.89 feet along said right of way line;

Thence South 00° 07' 03" East 109.83 feet;

Thence along a curve to the right

Δ - 42°01'03"

A - 128.34

R - 175.00

C- 125.48

LCB - South 20° 53' 29" West

Thence South 41° 54' 00" West 74.74 feet;

Thence along a curve to the left

Δ - 42°01'48"

A - 154.05

R - 210.00

C- 150.62

LCB - South 20° 53' 06" West

Thence South 00° 07' 48" East 46.79 feet;

Thence South 89° 56' 48" West 30.24 feet;

Thence North 00° 10' 18" East 59.54 feet;

Thence along a curve to the right

Δ - 41°38'04"

A - 152.60

R - 210.00

C- 149.26

LCB - North 20° 59' 21" East

Thence North 41° 48' 23" East 49.77 feet.

Parcel B:

A parcel of land located in a portion of the N2, Section 24, Township 10 South, Range 17 East, Boise Meridian, Twin Falls County, Idaho, being more particularly described as follows:

Commencing at the Northeast corner of Section 24. Said point lies South 89° 48' 09" East 2699.49 feet from the North quarter corner of Section 24. Thence North 89° 48' 09" West 2674.60 feet; Thence South 00° 00' 00" East 520.09 feet to the REAL POINT OF BEGINNING.

Thence South 00° 23' 05" East 63.99 feet;

Thence South 89° 57' 48" East 100.48 feet;

Thence South 00° 09' 14" West 148.36 feet;

Thence North 90° 00' 00" East 71.47 feet;

Thence South 00° 00' 00" East 60.00 feet;

Thence South 90° 00' 00" West 578.62 feet;

Thence North 00° 01' 58" West 272.03 feet;

Thence North 89° 56' 48" East 406.79 feet to the REAL POINT OF BEGINNING.

The above described parcel contains 3.12 Acres +/- (135,994 Sq. Ft.)

EXHIBIT "B"

Map of Property of Modified Local Improvement District

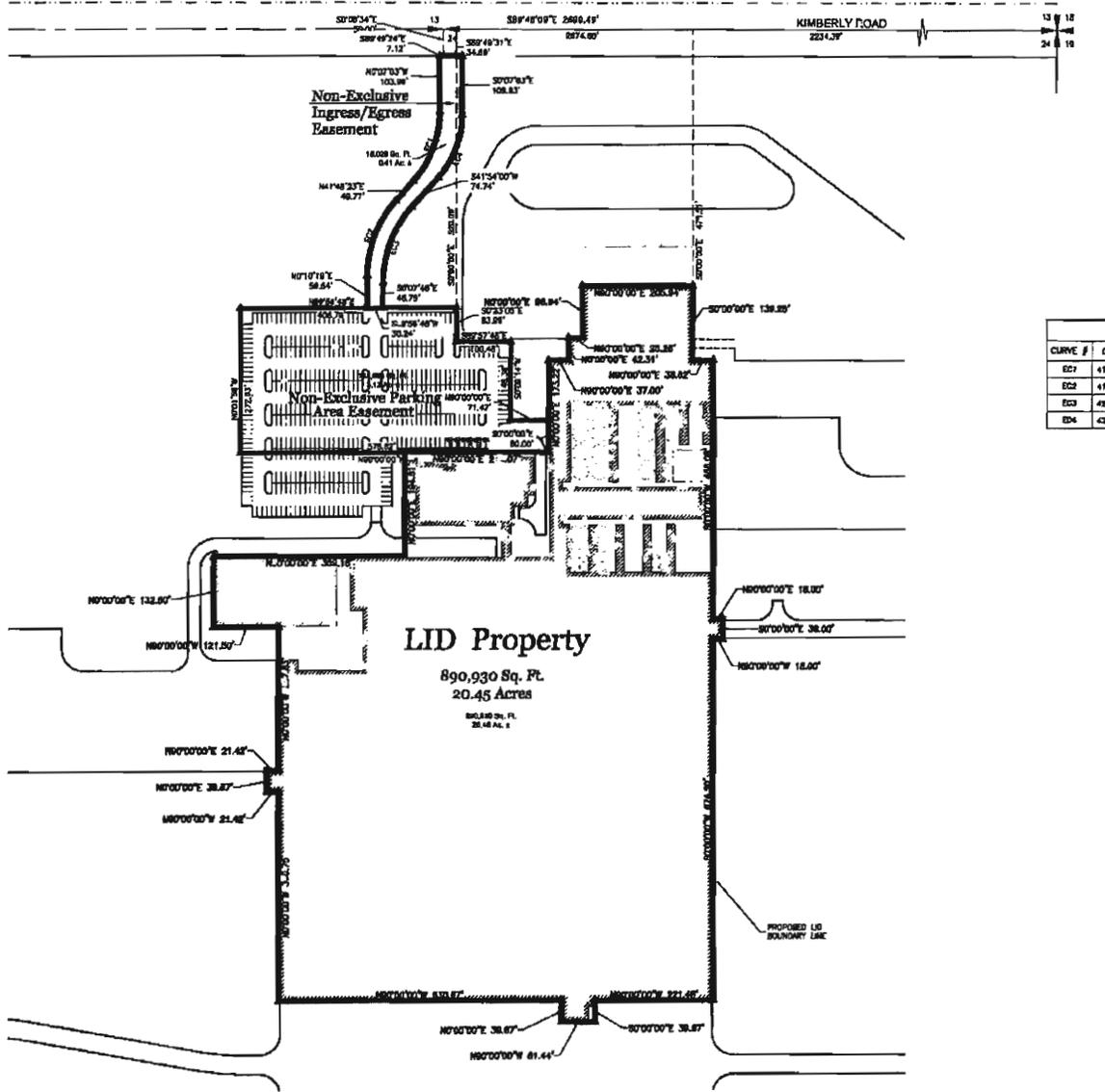


EXHIBIT "C"

Description of the Project and Estimated Costs

| | |
|---|--------------|
| Road Improvements: | \$1,400,000 |
| Water facilities and related improvements: | \$4,800,719 |
| Wastewater facilities and related improvements: | \$20,787,189 |
| Improvements to provide related utility services: | \$768,435 |
| Reserve funds: | \$2,837,250 |
| Capitalized interest on the bonds: | \$944,861 |
| Financing fees and costs of issuing the bonds: | \$750,000 |
| LID Interim Warrant Accrued Interest: | \$220,546 |
| | |
| Total Amount | \$32,509,000 |



Official Sponsor of the 2012 U.S. Olympic Team

October 22, 2012

**VIA FACSIMILE: (208) 736-2296 and
E-MAIL: trothweiler@tfd.org.**

Travis Rothweiler
City Manager
City of Twin Falls
321 Second Ave. E.
Twin Falls, ID 83301

Dear Mr. Rothweiler:

The letter is submitted at your request in support of the Petition to Create Modified Local Improvement District which Chobani Idaho, Inc. filed with the City of Twin Falls today ("Petition"). This shall confirm that the cost of the real property and improvements for the 20.45 acre Chobani plant site which is the "Property" as described in the Petition equals or exceeds SEVENTY-FIVE MILLION DOLLARS (\$75,000,000). Please contact me if you have any questions.

Sincerely,

James McConeghy
Chief Financial Officer

cc: L. Edward Miller
Richard Skinner

NATURALLY POWERING TEAM USA

147 State Highway 320 Norwich, NY 13815 o 607-337-1246 f 607-337-1240

www.chobani.com