



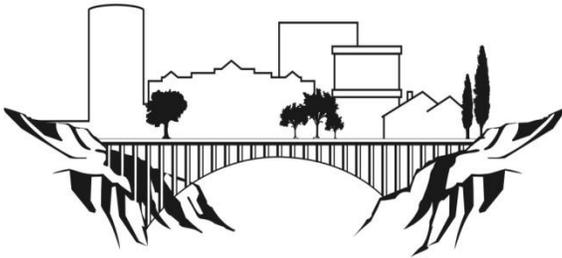
AGENDA
Special Meeting of the City of Twin Falls
Urban Renewal Agency Board
305 3rd Avenue East, Twin Falls, Idaho
City Council Chambers
Tuesday, April 28, 2015 at 12:30 pm

URBAN RENEWAL AGENCY BOARD MEMBERS:

Leon Smith Dan Brizee Dexter Ball Neil Christensen Perri Gardner Bob Richards
Chairman Vice-Chairman Secretary

1. Call meeting to order.
 2. Consideration of a request to approve Resolution 2015-1 to seek judicial confirmation for a \$5.5 million bond for Revenue Allocation Area 4-1 (see staff report) – Fritz Wonderlich
 3. Consideration of a request to approve Resolution 2015-2 to adopt a plan to create Revenue Allocation Area 4-4 (see staff report) – Fritz Wonderlich
 4. Adjourn. Next regular meeting: **Monday, May 11, 2015 @ 12:00 pm**
-

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



**THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS**

Date: April 28, 2015

To: Urban Renewal Agency of the City of Twin Falls

From: Melinda Anderson, Executive Director

Request:

Consideration of a request to approve Resolution 2015-1 to seek judicial confirmation for a \$5.5 million bond for Revenue Allocation Area 4-1.

Background:

At the April 13, 2015 TFURA meeting, the board opened a public hearing to consider seeking judicial confirmation for a new bond totaling \$5.5 million. No one came forth for the public hearing.

The next step in this process is for TFURA counsel, Fritz Wonderlich, to seek judicial confirmation for the bond. That should be completed by early June. We should get a judgment within 6 weeks and then wait an additional 6 weeks after an affirmative judgement to close on the bond sale.

Approval Process:

A majority of the board in open session is needed to approve the resolution.

Budget Impact:

None at this time.

Conclusion:

Staff recommends that Resolution 2015-1 be approved.

Attachments:

1. Resolution 2015-1
2. Petition

RESOLUTION NO. 2015-1

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO AUTHORIZING THE FILING OF A PETITION IN THE FIFTH JUDICIAL DISTRICT COURT SEEKING JUDICIAL CONFIRMATION FOR THE ISSUANCE OF REVENUE ALLOCATION (TAX INCREMENT) BONDS TO FINANCE RECONSTRUCTION OF WATER LINES, WASTEWATER LINES, STORMWATER LINES, STREETS, CURBS AND GUTTERS AND SIDEWALKS, OPEN SPACE, LANDSCAPING, STREET LIGHTS, AND RELATED IMPROVEMENTS; DECLARING OFFICIAL INTENT TO REIMBURSE AGENCY OR CITY EXPENDITURES FOR THE PROJECT FROM TAX EXEMPT OBLIGATIONS; AND PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

WHEREAS, the Urban Renewal Agency of the City of Twin Falls, Idaho is an independent public body corporate and politic, authorized by the Idaho Urban Renewal Agency Law of 1965, as amended, Chapter 20, Title 50, *Idaho Code*, a duly created and functioning Urban Renewal Agency for Twin Falls, Idaho (the “City”), hereinafter referred to as the “Agency”; and

WHEREAS, there has been prepared the Urban Renewal Plan for the Expanded Urban Renewal Area No. 4-1 (the “Plan”); and

WHEREAS, the Plan includes an urban renewal project for the reconstruction of water lines, wastewater lines storm water lines, streets, curbs and gutters and sidewalks, open space, landscaping, street lights, and related improvements; and,

WHEREAS, the Agency now desires to undertake the financing of the Plan; and

WHEREAS, the Agency possesses revenue allocation financing powers pursuant to Chapter 29, Title 50, *Idaho Code* including the power to issue revenue allocation (tax increment) bonds or other obligations (the “Bonds”) to finance urban renewal projects; and

WHEREAS, on March 26, 2015, a notice of a public hearing was published in *The Times-News*, a newspaper of general circulation in the City, and thereafter on the 13th of April, 2015, said hearing was held pursuant to the published notice all in accordance with *Idaho Code* § 7-1304(3) with no objections raised; and

WHEREAS, the Agency is authorized pursuant to *Idaho Code* § 7-1304(1) to file or cause to be filed a petition in the Fifth Judicial District Court, Twin Falls County, Idaho praying a judicial examination and determination of the validity of any bond or obligation or of any agreement or security instrument related thereto; and

WHEREAS, the Agency seeks to declare its official intent under applicable Internal Revenue Service requirements to reimburse from proceeds of the Bonds expenditures by the Agency or the City made from general funds and other funds.

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

Section 1: The Agency hereby authorizes the filing of a petition in the Fifth Judicial District Court, Twin Falls County, Idaho seeking judicial confirmation for the issuance of revenue allocation (tax increment) bonds, to finance the reconstruction of water lines, wastewater lines, storm water lines, streets, curbs and gutters, and sidewalks, open space, landscaping, street lights, and related improvements (the “Project”).

Section 2: That this Resolution constitutes the necessary action of the Agency prior to filing of said petition pursuant to *Idaho Code* 7-1304(3).

Section 3: The Agency and/or the City may expend funds for costs of the Project and in such event, intend to be reimbursed from the Bonds for any expenditure (“Expenditure”) made on or after a date not more than 60 days prior to the date hereof. Further, that each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds or (c) a nonrecurring item that is not customarily payable from current revenues. Further, that the maximum principal amount of the Bonds to be issued for the Project is \$7,000,000 and the Agency reasonably expects on the date hereof that it will reimburse the Expenditures with all or a portion of the proceeds of the Bonds. Further, that the Agency and City will keep books and records of all expenditures and will make a reimbursement allocation, which is a written allocation that evidences the Agency’s use of proceeds of the Bonds to be a reimbursement of Expenditures no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. Finally, that this resolution evidences the Agency’s intent and reasonable expectation under Treas. Reg. Section 1.150-2 (d)(1) to use the proceeds of the Bonds to pay the costs of the Project and to reimburse the Agency for expenditures for the costs of the Project paid prior to the issuance of the Bonds to the extent permitted by federal tax regulations.

Section 4: The Chairman, and the Secretary of the Agency, as well as counsel to the City, are hereby authorized and directed to take all steps necessary and convenient to facilitate filing of said petition and secure judicial confirmation of the validity of said Bonds and to carry out the official intent to issue the Bonds and to reimburse expenditures of Agency from the proceeds of such Bonds.

Section 5: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

ADOPTED AND APPROVED THIS 28th day of April, 2015.

CHAIRMAN

ATTEST:

SECRETARY

FRITZ WONDERLICH
 WONDERLICH & WAKEFIELD
 P.O. Box 1907
 Twin Falls, ID 83303-1907
 (208) 352-0811
 Attorney for Petitioner
 ISB# 2591

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
 STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

IN THE MATTER OF:)	Case No. CV-2015-_____
)	
TWIN FALLS URBAN RENEWAL)	FILING FEE: EXEMPT
AGENCY REVENUE ALLOCATION)	
(TAX INCREMENT) BONDS,)	PETITION FOR JUDICIAL EXAMINATION
)	AND DETERMINATION OF VALIDITY OF
URBAN RENEWAL AGENCY OF)	FINANCING DOCUMENTS
THE CITY OF TWIN FALLS,)	
)	
PETITIONER.)	
_____)	

The Petitioner, Urban Renewal Agency of the City of Twin Falls (hereafter “Agency”), by and through its counsel of record, Fritz Wonderlich, petitions this Court, pursuant to I.C. § 7-1301, et seq., for a judicial examination and determination of the validity of the power and authority of petitioner to issue certain bonds or notes (the “Bonds”) and execute certain agreements provided for or contained in the bond resolution filed herewith (collectively, the “Financing Documents”) as follows:

1. Petitioner makes this petition as a political subdivision pursuant to the Idaho Judicial

Confirmation Law, I. C. § 7-1301, et seq.

2. Petitioner is an urban renewal agency of the State of Idaho duly established pursuant to the Idaho Urban Renewal Law of 1965, I.C. § 50-2001, et seq.

3. Petitioner possesses revenue allocation financing powers under I.C. § 50-2901, et seq.

4. Petitioner is authorized by I.C. § 50-2909 and I.C. § 50-2012 to issue revenue allocation bonds or notes.

5. On June 30, 1997, the City Council of the City of Twin Falls, Idaho, by Resolution No. 1603, determined certain property to be a deteriorated area or a deteriorating area or a combination thereof and designated the area as appropriate for an urban renewal project, to be known as Urban Renewal Area #4.

6. On July 19, 2013, the “Agency” met and considered an Amended Urban Renewal Plan (the “Plan”) for Urban Renewal Area #4 and providing for an urban renewal project for reconstruction of water lines, wastewater lines, storm water lines, streets, curbs and gutters, sidewalks, open space, landscaping, street lights, and other related public infrastructure improvements all as located and described in the Plan (collectively the “Project”), by amending Revenue Allocation Area #4-1 (the “Revenue Allocation Area”) and by unanimous vote recommended to the Twin Falls City Council adoption of the Plan.

7. On August 13, 2013, the City of Twin Falls Planning and Zoning Commission reviewed the Plan and approved the Plan as being in conformity with the City’s Comprehensive Plan.

8. Notice of Public Hearing was published for a public hearing to be held on Monday,

August 26, 2013, at 6:00 o'clock, p.m. Notice of the Public hearing, along with Resolution of the Urban Renewal Agency approving the Plan, and a copy of the Plan were also transmitted to all taxing jurisdictions within Revenue Allocation Area #4-1.

9. On August 26, 2013, the Twin Falls City Council held a public hearing on consideration of adoption of the Plan and passed the ordinance, approving the Expanded Urban Renewal Area #4 and the Plan. Said ordinance was published within 30 days after adoption and became effective upon publication.

10. The Petitioner advertised Notice of a hearing on March 26, 2015, in compliance with Idaho Code 7-1301, et seq., to consider approval of resolution authorizing judicial confirmation, which hearing was held on April 13, 2015.

11. On April 28, 2015, the Petitioner voted to approve Resolution No. 2015-1 and to authorize the filing of this Petition for Judicial Confirmation.

12. Petitioner seeks a determination of the validity of any Bonds issued pursuant to the Financing Documents as follows:

- a. Whether the proposed Revenue Allocation Financing violates the provisions of the Idaho Constitution requiring uniformity of taxation, contained in Idaho Constitution Article 7, Section 5.
- b. Whether Article 8, Section 4, Article 12, Section 4 and Article 8, Section 3 of the Idaho Constitution apply to the Urban Renewal Agency. And, if so, whether the proposed Revenue Allocation Financing violates provisions of the Idaho Constitution prohibiting municipalities from lending credit to private entities as contained in Article 8, Section 4 and Article 12, Section 4 of the Idaho Constitution? Furthermore, whether the Revenue Allocation Financing violates provisions of the Idaho Constitution prohibiting a municipality from incurring an indebtedness or liability exceeding income and revenue for a specific year without the assent of qualified electors, as provided in Idaho Constitution Article 8, Section 3.
- c. Whether the revenue allocation statute (Title 50, Chapter 29, Idaho Code, as

amended) impermissibly delegates the taxing power by failing to set sufficient controls, guidelines, and standards to govern the assessment and collection of tax revenues, to ensure that the taxes collected are used in the furtherance of a proper legislative and public purpose.

- d. Whether the provisions of the said statute and the proposed Revenue Allocation Financing violate the due process rights of the taxpayers by failing to require the expenditure of tax revenues for a public purpose and not a private benefit.
- e. Whether the implementation of the proposed Revenue Allocation Financing violates Article 1, Section 16 of the Idaho Constitution, which prohibits State laws that impair the obligation of contracts.
- f. Whether by issuing the Bonds and entering into the Finance Documents, the Agency, the State and other governmental entities may be "lending their credit" or otherwise acting in violation of Article 8, Sections 2, 4 and Article 12, Section 4 of the Idaho Constitution.
- g. Whether the "incremental taxes" (revenue allocation proceeds) may be taxes imposed by the Idaho Legislature for a "city purpose," in violation of Article 7, Section 6 of the Idaho Constitution.
- h. Whether because some of those "incremental taxes" would otherwise go to the State, the distribution of those taxes to the Agency may be a "release" of State taxes in violation of Article 7, Section 7 of the Idaho Constitution.
- i. Whether because the amount of taxes received by the Agency is not based on the benefits the Agency provides to the taxpayer, but on the tax rates set by other taxing entities, there may not be a rational relationship between the "incremental taxes" paid to the Agency and the benefits provided by the Agency, in violation of the United States and Idaho Constitutions.
- j. Whether the issuance of the Bonds by the Agency under the Local Economic Development Act is an unconstitutional delegation of taxing authority, in violation of Article 3, Section 1 of the Idaho Constitution.
- k. Whether the due process rights of other taxing districts who provide services to the area improved by the proposed Revenue Allocation Financing, have been violated by failing to provide adequate notice that the increased tax revenue from the improved area will go to the Agency for debt service?
- l. Whether the Agency has complied with Title 50, Chapter 29, Idaho Code, as amended (the "Act"), in establishing the Revenue Allocation Area with a

base assessment roll date of January 1, 2013, and in adopting the Plan and whether the proposed Revenue Allocation Financing complies with the Act.

13. Judicial determination of the validity of the proposed Bond issuance pursuant to I. C. § 7-1301, et seq. will serve the public interest and welfare.

14. This action is in the nature of a proceeding in rem and jurisdiction of all interested parties will be obtained by publication and posting as provided under I.C. §§ 7-1305 and 7-1306.

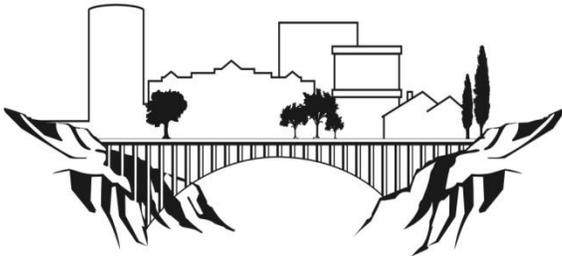
WHEREFORE, Petitioner prays for judgment as follows:

1. Judicial examination and determination of the validity of the Financing Documents and the Plan pursuant to Chapter 29, Title 50, Idaho Code to finance the Project, and a declaration that the Plan and the Financing Documents are valid and enforceable under the laws and Constitution of Idaho, that the petitioner is duly authorized by a valid state statute to enter into the Financing Documents for the revenue allocation financing, and that the Plan and the Financing Documents will be valid and binding on the parties thereto and on all persons interested therein in full accordance with its terms.

2. Such other and further relief as the Court deems proper.

DATED This ____ day of April, 2015.

FRITZ WONDERLICH



**THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS**

Date: April 28, 2015

To: Urban Renewal Agency of the City of Twin Falls

From: Melinda Anderson, Executive Director

Request: Consideration of a request to approve Resolution 2015-2 to adopt a plan to create Revenue Allocation Area 4-4.

Background:

On October 17, 2013, TFURA, the City Council, and Clif Bar & Co. signed a development agreement for a new bakery to be constructed by Clif Bar and for various activities to be contributed by TFURA and the City. TFURA agreed to provide land, site development, and infrastructure so Clif Bar can operate their 275,000 sf bakery. On November 12, 2013, TFURA approved a Line of Credit Agreement and Promissory Note with Clif Bar for \$19 million to pay for the land, site development, and infrastructure installation. On March 18, 2015 TFURA board approved amendments to the Line of Credit and Promissory Note to increase the Line of Credit to \$22 million to cover additional costs needed for the bakery to open and operate. The amendments also extend the LOC payment to June 2016.

In order for TFURA to be able to seek a long-term bond to acquire \$22 million it is necessary to create a Revenue Allocation Area within the boundaries of the current urban renewal area in Twin Falls. The plan that creates the RAA is guided by Idaho Statute 50-2008.

RAA 4-4 will consist of 90 acres generally located south of Kimberly Road (3800 North or Highway 30), west of 3300 East, and south of the railroad right of way. A legal land description and maps are included with the plan.

If approved and adopted, RAA 4-4 will freeze the current value of the land, \$4,154,000, for 20 years beginning January 1, 2015. The property tax income that is generated by this value will continue to go to each of the seven taxing districts that lie within the RAA's boundaries. Clif Bar's expected investment over that period will increase the property's value to ~\$119 million by adding new building and equipment to it. The taxes on the increased value of the property will be paid to the URA for a period of twenty (20) years. The URA will use the tax revenue for payment of the bonds and other project costs. Once RAA 4-4 expires, that new value would then create additional new property tax income to each of the seven taxing districts that are within the RAA's boundaries.

Approval Process: A majority of the board in open session is needed to approve the resolution. Assuming it is approved, the plan will go to the City's Planning & Zoning Commission for its review that it conforms with the City's comprehensive plan. The plan will be delivered to the seven taxing districts for their review, and staff will set up a public hearing with the City Council and cause a notice to be published at least 30 days prior to the City Council hearing.

Budget Impact: As staff budgeted for the creation of RAA 4-4 in the current budget, there is no impact to this year's budget.

Conclusion: Staff recommends that Resolution 2015-2 be approved.

Attachments:

1. Resolution 2015-2
2. RAA 4-4 Plan with maps

RESOLUTION NO. 2015-2

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO APPROVING THE URBAN RENEWAL PLAN FOR REVENUE ALLOCATION AREA #4-4, AND RECOMMENDATION FOR APPROVAL THEREOF TO THE CITY COUNCIL OF THE CITY OF TWIN FALLS.

WHEREAS, The City Council has, by resolution, determined that Urban Renewal Area #4 to be a deteriorating area and designated it as appropriate for an urban renewal project; and,

WHEREAS, the Urban Renewal Agency of the City of Twin Falls has prepared a plan for an urban renewal project which will include acquisition of land, site development, extension of water and sewer lines, construction of a waste water pretreatment facility, improvements to the waste water treatment plant, extension of electrical power, extension of gas lines, management of property under the control of the agency, and such other undertakings and activities authorized by Idaho Code §50-2007 and 50-2903(13); and,

WHEREAS, the urban renewal plan will include revenue allocation financing in order to pay for the costs of the project; and,

WHEREAS, the Urban Renewal Agency of the City of Twin Falls finds that the plan will afford maximum opportunity, consistent with the sound needs of the City of Twin Falls as a whole, to facilitate the long-term growth of the tax base, and to redevelop the urban renewal area by private enterprise; and,

WHEREAS, the Urban Renewal Agency of the City of Twin Falls finds that the plan is a workable program.

NOW, THEREFORE, BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF TWIN FALLS, IDAHO:

That the Urban Renewal Plan for Revenue Allocation Area #4-4 is hereby adopted, and recommended for approval to the City Council of the City of Twin Falls.

PASSED BY URBAN RENEWAL AGENCY
SIGNED BY THE CHAIRMAN

April 28, 2015
April 28, 2015

Leon Smith, Chairman

URBAN RENEWAL PLAN FOR REVENUE ALLOCATION AREA #4-4

INTRODUCTION

On June 30, 1997, the Twin Falls City Council enacted its Resolution No. 1603, which created Urban Renewal Area #4, pursuant to the provisions of Idaho Code §50-2005. On October 7, 2002, the City Council of the City of Twin Falls, by Resolution No. 1692 approved expanding Urban Renewal Plan #4 to include the property that is the subject of this plan. Within this Urban Renewal Area #4, the Urban Renewal Agency for the City of Twin Falls, and the Twin Falls City Council, have previously approved plans with revenue allocation financing, known as Revenue Allocation Area #4-1 and Revenue Allocation Area #4-2. On November 3, 2011 the Urban Renewal Agency approved Resolution 2011-1 to create Revenue Allocation Area 4-3. The Urban Renewal Agency now proposes to establish a new urban renewal plan located within Urban Renewal Area #4 with revenue allocation financing provisions, to be known as Revenue Allocation Area #4-4.

LOCATION

Revenue Allocation Area #4-4 consists of approximately ninety (90) acres and is generally located south of Kimberly Road (3800 North or Highway 30), west of 3300 East, and south of the railroad right of way, as shown on the attached map, and is legally described as follows:

Commencing at the Northeast corner of Lot 4, Block 2, of "Jayco Subdivision" and being the REAL POINT OF BEGINNING.

Thence South 00°30'21" West 1253.98 feet to the Southeast corner of Lot 4, Block 4, of "Jayco Subdivision."

Thence North 89°51'36" West 2600.23 feet along the South boundary of "Jayco Subdivision."

Thence North 89°49'03" West 148.93 feet along the South boundary of "Jayco Subdivision" to the Southwest corner of Lot 4, Block 1.

Thence North 00°00'00" East 1277.50 feet along the East boundary of Lot 1, Block 1, to the Northeast corner thereof.

Thence North 87°49'49" East 168.24 feet along the North boundary of Lot 2, Block 1.

Thence along the North boundary of lot 2, Block 1, on an arc of 193.12 feet of a curve to the right with a radius of 968.00 feet, a central angle of 11°25'50" and a chord of 192.80 feet that bears S 86°27'16" E.

Thence South 80°44'21" East 55.74 feet along the North boundary of Lot2, Block 1.

Thence North 09°15'39" East 64.00 feet to the Southwest corner of Lot 2, Block 2, of said subdivision.

Thence North 09°15'39" East 297.66 feet along the Westerly boundary of said Lot 2, Block 2 to the Northwest corner thereof.

Thence South 80°44'21" East 2316.66 feet along the North boundary of "Jayco Subdivision," to the REAL POINT OF BEGINNING.

Containing approximately 89.44 acres. See attached map as Exhibit A.

PURPOSE

The purpose of the Plan is to acquire real property within the revenue allocation area, to prepare the land for industrial development, to improve public infrastructure needed to serve the project, including the construction of water lines, improvement of wastewater collection lines, wastewater pretreatment and treatment, natural gas and power, and road/railway crossing improvements. The property will be transferred, for industrial development with any applicable deed restrictions, and the said public improvements will be made to encourage maximum capital investment in the revenue allocation area, to encourage maximum job growth, long-term growth of the tax base, and such other matters that best serve the public interest and the purposes of the Urban Renewal Law and the Local Economic Development Act.

ASSESSED VALUATIONS

The base assessment roll of the proposed Revenue Allocation Area #4-4 is \$4,153,968 The base assessment roll of all revenue allocation areas is \$106,232,932. The current assessed valuation of all taxable property within the City is \$2,282,743,583. The base assessment rolls of all revenue allocation areas within the City, including Revenue Allocation Area #4-4, is less than ten percent (10%) of the current assessed valuation of all taxable property within the City.

PUBLIC WORKS OR IMPROVEMENTS

- Construction of pretreatment facilities and an expanded lift station. The pretreatment facility will address wastewater characteristics prior to entry into the City's collection system which will extend the life of the sewer collection piping.
- Construction of a 5-million gallon water tank to be located on the west side of Hankins Road ½ block north of Kimberly Road.
- Preparation of the site for development, including but not limited to relocation of irrigation works, site leveling, and improvement of public access to the site, water & sewer lines, etc.
- Improvements to 3200 Road East, 3300 Road East, and an improved rail signal crossing at 3300 Road East.
- Extension of water & sewer lines, electric power and natural gas infrastructure.
- Such other costs as are required to complete the project such as development, capacity, connection, and impact fees.

ECONOMIC FEASIBILITY STUDY

Clif Bar intends to build and operate a nutrition bar bakery in Twin Falls and expects to invest up to \$225,000,000 in both real and personal property. Based on a conservative assessed value of \$211,000,000 for both real and personal property, it is estimated that Clif Bar may pay up to \$61,561,736 in property taxes over the 20-year life of RAA 4-4.

On January 1, 2013, the values of the properties within the proposed Revenue Allocation Area #4-4 were assessed by the Twin Falls County Assessor at the values shown in **Table 1**.

Table 1

Value of the Properties within the Proposed Revenue Allocation Area 4-4				
Parcel No.	Market Values	Property Tax	Taxable Values	
	January 1,2013*	Exemption, 2014	January 1,2014	Full Tax Payment
RPT28250010020	\$ 204,992	\$ 204,992	\$ -	\$ -
RPT28250010030	103,476	103,476	\$ -	\$ -
RPT28250010040	275,035	275,035	\$ -	\$ -
RPT28250020020	293,725	293,725	\$ -	\$ -
RPT28250020030	297,120	297,120	\$ -	\$ -
RPT28250020040	259,270	259,270	\$ -	\$ -
RPT28250030010	276,750	276,750	\$ -	\$ -
RPT28250030020	277,800	277,800	\$ -	\$ -
RPT28250030030	278,045	278,045	\$ -	\$ -
RPT28250030040	279,655	279,655	\$ -	\$ -
RPT28250030050	244,090	244,090	\$ -	\$ -
RPT28250030060	249,700	249,700	\$ -	\$ -
RPT28250040010	275,735	275,735	\$ -	\$ -
RPT28250040020	280,880	280,880	\$ -	\$ -
RPT28250040030	284,345	284,345	\$ -	\$ -
RPT28250040040	273,350	273,350	\$ -	\$ -
Combined	\$ 4,153,968	\$ 4,153,968	\$ -	\$ -

* Market Values were last reported for 2013. Currently the property is owned by the Urban Renewal Agency of Twin Falls, Idaho and is classified as exempt.

The Current Market Value for the Area of \$4,153,968 is the base tax value as of January 1, 2015 for the proposed Revenue Allocation Area. Each of the seven taxing jurisdictions will continue to receive their portion of the tax revenue from the base value.

Table 2 shows the current annual amount of tax revenue to each jurisdiction within the proposed Revenue Allocation Area #4-4.

Table 2

Current Revenue to Each Taxing District			
Taxing District	2014 Property Tax Levy Rate	January 1, 2014 Taxable Value	Current Property Tax Revenue*
Twin Falls County	0.004499616	\$ -	\$ -
City of Twin Falls	0.007664692	-	-
Twin Falls School Dist. #411	0.004786364	-	-
College of Souther Idaho	0.000955478	-	-
Twin Falls Highway Dist.	0.001194773	-	-
Twin Falls Ambulance Dist.	0.000202299	-	-
Twin Falls Abatement Dist.	0.000124412	-	-
Combined	0.019427634		\$ -
* There is no current revenue as the property is exempt.			

Table 3 shows the fiscal impact of the revenue allocation area, both until and after the bonds are paid, upon all taxing districts levying taxes upon property on the revenue allocation area. The table demonstrates that the Plan promotes the long-term growth of the tax base for the area.

Table 3

Estimated Property Tax Revenue from Expected New Assessed Value for Buildings and Reclassification of Land from Exempt to Taxable							
Taxing District	Twin Falls County	City of Twin Falls	School Dist. #411	College of South. Idaho	Twin Falls Highway Dist.	Twin Falls Ambulance Dist.	Twin Falls Abatement Dist.
2014 Levy Rate	0.004499616	0.007664692	0.004786364	0.000955478	0.001194773	0.000202299	0.000124412
Year							
2016	\$ 18,691	\$ 31,839	\$ 436,296	\$ 3,969	\$ 4,963	\$ 840	\$ 517
2017	18,691	31,839	431,414	3,969	4,963	840	517
2018	18,691	31,839	550,786	3,969	4,963	840	517
2019	18,691	31,839	533,842	3,969	4,963	840	517
2020	18,691	31,839	517,186	3,969	4,963	840	517
2021	18,691	31,839	498,088	3,969	4,963	840	517
2022	18,691	31,839	588,838	3,969	4,963	840	517
2023	18,691	31,839	685,762	3,969	4,963	840	517
2024	18,691	31,839	774,501	3,969	4,963	840	517
2025	18,691	31,839	747,362	3,969	4,963	840	517
2026	18,691	31,839	714,480	3,969	4,963	840	517
2027	18,691	31,839	797,475	3,969	4,963	840	517
2028	18,691	31,839	757,126	3,969	4,963	840	517
2029	18,691	31,839	718,644	3,969	4,963	840	517
2030	18,691	31,839	686,479	3,969	4,963	840	517
2031	18,691	31,839	667,095	3,969	4,963	840	517
2032	18,691	31,839	648,715	3,969	4,963	840	517
2033	18,691	31,839	631,628	3,969	4,963	840	517
2034	18,691	31,839	613,248	3,969	4,963	840	517
2035	18,691	31,839	590,274	3,969	4,963	840	517
Thereafter*	537,767	916,038	\$ 572,038	\$ 114,193	\$ 142,792	\$ 24,178	\$ 14,869
* Subject to further fluctuations in values.							

The potential Estimated New Market Values of up to \$64,000,000 for Buildings and Improvements, up to \$147,000,000 for Fixtures and Equipment, and \$4,153,968 for Land are projected to generate incremental tax revenues. **Table 5** shows the potential new assessed value and, based on 2014 levy rates, the expected incremental tax revenue from this new value is shown over the life of the twenty-year bonds.

Table 5

Year	Expected New Assessed Value of Equip. and Building	School District #411 Bond	School District #411 Supplemental	School District #411 Other	URA
2014 Levy Rates		0.001348224	0.002051073	0.001387067	0.01464127
2016	87,000,000	117,295	178,443	120,675	1,273,790
2017	85,980,000	115,920	176,351	119,260	1,258,856
2018	110,920,000	149,545	227,505	153,853	1,624,010
2019	107,380,000	144,772	220,244	148,943	1,572,180
2020	103,900,000	140,080	213,106	144,116	1,521,228
2021	99,910,000	134,701	204,923	138,582	1,462,809
2022	118,870,000	160,263	243,811	164,881	1,740,408
2023	139,120,000	187,565	285,345	192,969	2,036,893
2024	157,660,000	212,561	323,372	218,685	2,308,343
2025	151,990,000	204,917	311,743	210,820	2,225,327
2026	145,120,000	195,654	297,652	201,291	2,124,741
2027	162,460,000	219,032	333,217	225,343	2,378,621
2028	154,030,000	207,667	315,927	213,650	2,255,195
2029	145,990,000	196,827	299,436	202,498	2,137,479
2030	139,270,000	187,767	285,653	193,177	2,039,090
2031	135,220,000	182,307	277,346	187,559	1,979,793
2032	131,380,000	177,130	269,470	182,233	1,923,570
2033	127,810,000	172,317	262,148	177,281	1,871,301
2034	123,970,000	167,139	254,272	171,955	1,815,078
2035	119,170,000	160,668	244,426	165,297	1,744,800

Table 6 shows the economic feasibility of using the potential New Property Tax Revenue and annual proceeds from the Debt Service Reserve Fund, shown as Revenue Available for Debt Service, to service up to \$22,000,000 debt to finance the potential cost of the proposed project.

Table 6

Tax Increment Financing				
Debt Service and Revenue Coverage				
Year	Required Revenue Allocation*	New Tax Revenue	Annual Funding Surplus (Deficit)	Cumulative Funding Surplus
2016	\$ 1,000,000	\$ 1,273,790	\$ 273,790	\$ 273,790
2017	1,000,000	1,258,856	258,856	532,647
2018	1,300,000	1,624,010	324,010	856,657
2019	1,300,000	1,572,180	272,180	1,128,836
2020	1,300,000	1,521,228	221,228	1,350,064
2021	1,200,000	1,462,809	262,809	1,612,873
2022	1,400,000	1,740,408	340,408	1,953,281
2023	1,800,000	2,036,893	236,893	2,190,175
2024	2,000,000	2,308,343	308,343	2,498,517
2025	1,900,000	2,225,327	325,327	2,823,844
2026	1,900,000	2,124,741	224,741	3,048,585
2027	2,000,000	2,378,621	378,621	3,427,206
2028	2,000,000	2,255,195	255,195	3,682,401
2029	1,900,000	2,137,479	237,479	3,919,880
2030	1,800,000	2,039,090	239,090	4,158,969
2031	1,700,000	1,979,793	279,793	4,438,762
2032	1,600,000	1,923,570	323,570	4,762,332
2033	1,600,000	1,871,301	271,301	5,033,632
2034	1,550,000	1,815,078	265,078	5,298,711
2035	1,494,129	1,744,800	250,671	5,549,382
Combined	\$31,744,129	\$37,293,511	\$ 5,549,382	\$5,549,382

* Debt servicing and the related required revenue were computed at 3.5% annually.

ESTIMATED PROJECT COSTS

The estimated potential costs to build acquire and redevelop land, install new public infrastructure are listed in **Table 7**:

Table 7

Property Acquisition	~ \$3,904,000
Water Reservoir & Water Infrastructure	~ \$6,431,000
Waste Water Pretreatment Facility	~ \$6,000,000
Wastewater Infrastructure	~ \$1,330,000
Water Lines	~ \$780,000
Extension of Electrical Power Up to 10MW	~ \$2,600,000
Relocation of Canal Lateral	~ \$800,000
Street Improvements	~ \$1,500,000
Rail Crossing	~ \$400,000
Site Development	~\$3,542,000
Development Fees	~\$380,000
Total Estimated Project Costs	~ \$27,667,000

It's expected that of the total project costs approximately \$22 million will come from RAA 4-4 and the balance from a combination of City of Twin Falls and State of Idaho funds.

FISCAL IMPACT STATEMENT

Without this urban renewal project and the public infrastructure required to serve the project, the industry could not have located its industrial plant within the Revenue Allocation Area, and there would be no increase in the value of the property for assessment purposes, and therefore no corresponding increase in the payment of taxes. **Table 3** above shows the potential impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property on the revenue allocation area. The expected potential assessed new value is shown over the life of the 20-year loan. The expected potential assessed new value from the projects will revert to each respective taxing jurisdiction's taxable market value upon the termination of the plan.

METHOD OF FINANCING PROJECT COSTS

The financing source to be used to cover the cost of the proposed projects will be a bank private placement or bond in the estimated amount of up to \$22,000,000 to be repaid from additional property taxes generated from new private investment in the proposed revenue allocation area. It is expected that the bank loan will be available as soon as judicial confirmation is approved and the appeal time has run. The bank loan will be paid off in year 20 of the plan.

TERMINATION DATE

The revenue allocation financing shall terminate twenty (20) years following the date of initiation of the financing provision. The agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision, as described above, pursuant to Idaho Code §§50-2907 and 50-2903(2).

DISPOSTION OF ASSETS UPON THE TERMINATION DATE

Based upon the financing provisions for the project, it is not anticipated that the Agency will have any remaining assets related to this project on the termination date. Provided however, nothing herein shall prevent the agency from retaining assets or revenues generated from such assets as long as the agency shall have resources other than revenue allocation funds to operate and manage such assets.

CONCLUSIONS AND RECOMMENDATION

The Urban Renewal Agency of the City of Twin Falls, in cooperation with private industry is in the fortunate position of being able to redevelop the a portion of the Urban Renewal Area #4 and assist the private sector in making a substantial investment in the community. The project will enable substantial new industrial development to occur and enable the renewal and economic development of a deteriorating area of the City. These private investments can only take place if the public infrastructure deficiencies are corrected. Without the improvements, these and future private investments will likely not take place in the area. With the completion of these projects, the community will substantially benefit. The initial phase of the new industrial project will create an estimated (200) new manufacturing jobs. The Twin Falls economy will benefit by the inclusion of this new industry.

In 1988, the Idaho Legislature passed the Local Economic Development Act. This law allows municipalities the opportunity to provide for a method of financing needed improvements, allocating a portion of the property taxes levied against taxable property within an Urban Renewal Area. The intent of the law is to identify areas in need of improvement and development and to encourage private investment in those areas.

The Urban Renewal Agency of the City of Twin Falls believes this project meets both the intent and the spirit of this law. Therefore, the Urban Renewal Agency of the City of Twin Falls recommends to the Twin Falls City Council the adoption of this Urban Renewal Plan and, further, to create and adopt Revenue Allocation Area #4-4 within Urban Renewal Area #4. The effect of said adoption will cause the increased property taxes of the new tax increment project to be added to the anticipated new property taxes to be allocated to the Urban Renewal Agency of the City of Twin Falls for the purposes of repaying a loan, proceeds of which will go to make the necessary public improvements and correct existing deficiencies as previously detailed.

This Urban Renewal Plan may be modified at any time by the Urban Renewal Agency of the City of Twin Falls, provided that--where the proposed modifications will substantially change the Plan--the modifications must be approved by the Twin Falls City Council in the same manner as the original Plan, in accordance with applicable law. Substantial changes for City Council approval purposes shall be regarded as revisions in Project boundaries, land uses permitted, private land acquisition, and other changes which will violate the objectives of this Plan.

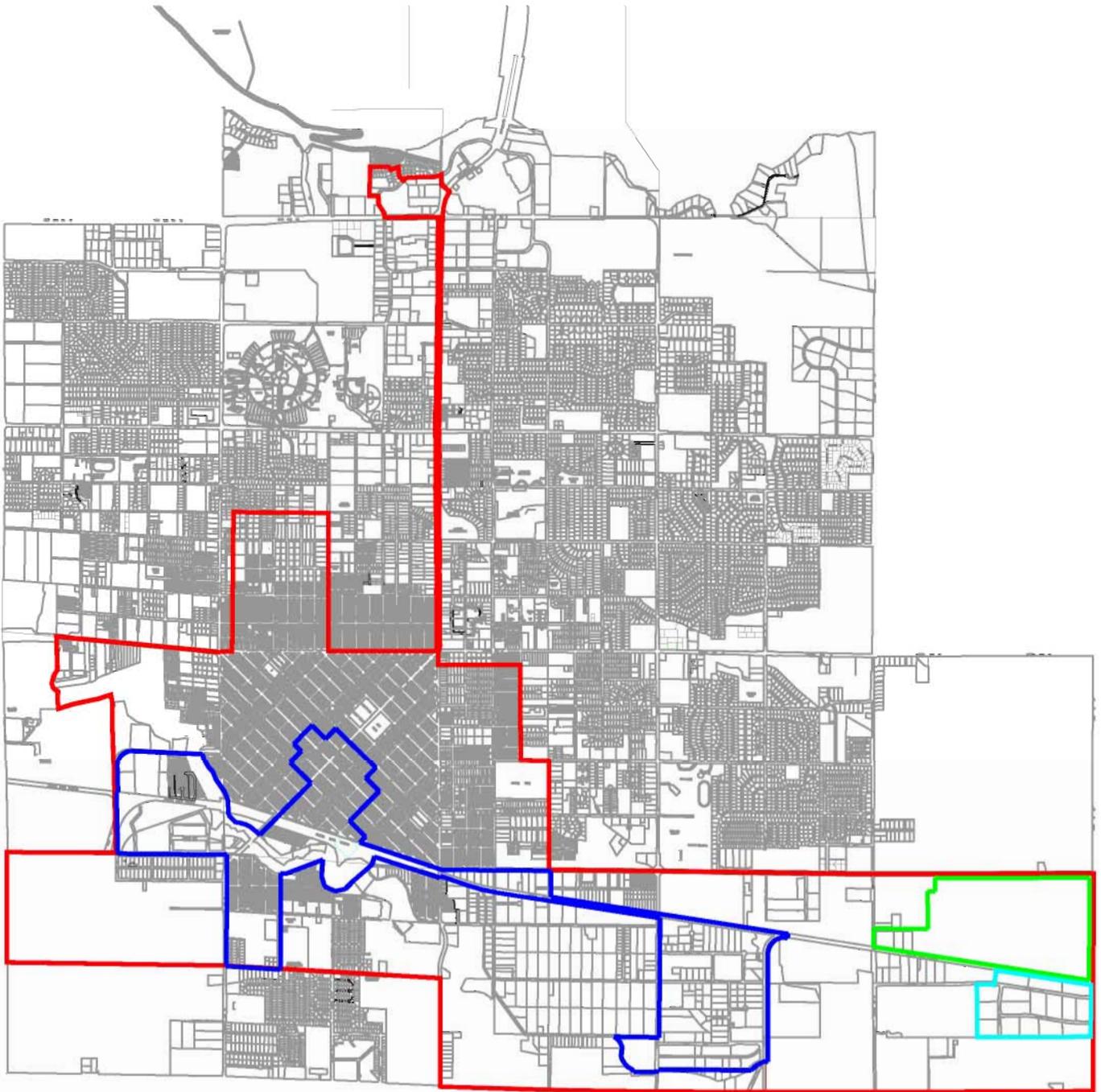
If any one or more of the provisions contained in this Plan to be performed on the part of the Agency shall be declared by any court of competent jurisdiction to be contrary to the law, then, such provision shall be deemed separable from the remaining provisions in this Plan and shall in no way affect the validity of the other provisions of this Plan.

APPROVED BY THE URBAN RENEWAL AGENCY _____, 2015.

SIGNED BY THE CHAIRMAN _____, 2015.

CHAIRMAN

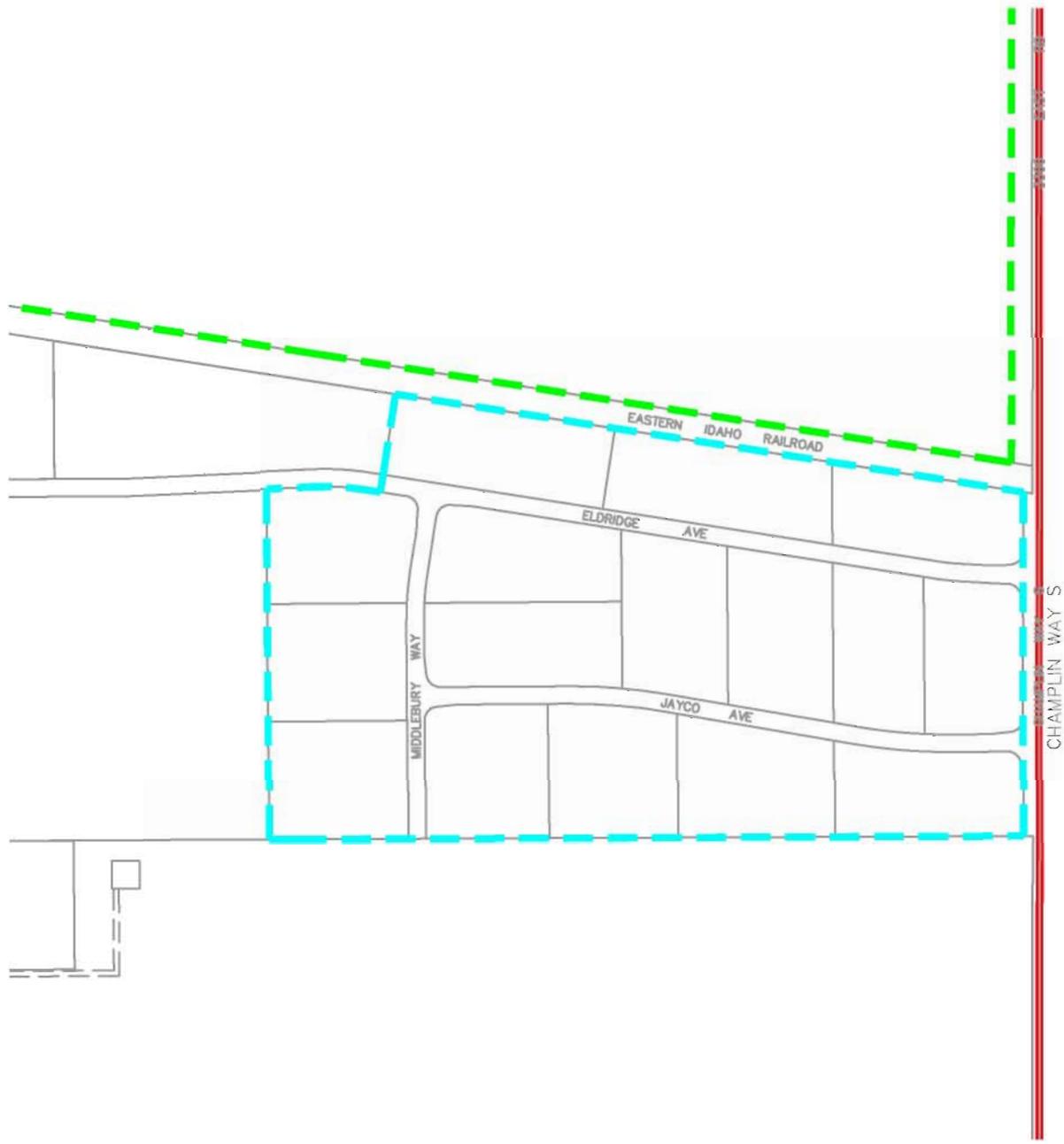
EXHIBIT A



**URBAN RENEWAL AGENCY OF THE
CITY OF TWIN FALLS, IDAHO**



LEGEND	
	URBAN RENEWAL AREA #4
	REVENUE ALLOCATION AREA #4-1
	REVENUE ALLOCATION AREA #4-3
	NEW REVENUE ALLOCATION AREA #4-4



**URBAN RENEWAL AGENCY OF THE
CITY OF TWIN FALLS, IDAHO**



LEGEND	
	URBAN RENEWAL AREA #4
	REVENUE ALLOCATION AREA #4-3
	NEW REVENUE ALLOCATION AREA #4-4 (89.44 ACRES)