

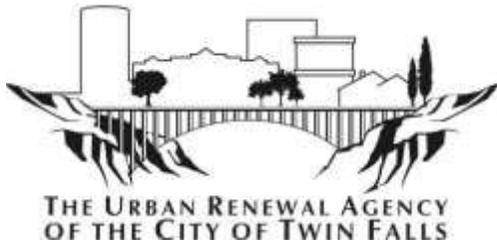
REVISED AGENDA
Special Meeting of the City of Twin Falls
Urban Renewal Agency Board
305 3rd Avenue East, Twin Falls, Idaho
City Council Chambers
Wednesday, March 23, 2016 at 12:00 pm.

URBAN RENEWAL AGENCY BOARD MEMBERS:

Dan Brizee Chairman	Dexter Ball Vice-Chairman	Neil Christensen Secretary	Perri Gardner	Bob Richards	Gary Garnand	Brad Wills
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1. Call meeting to order.
2. Consent Agenda:
 - a. Review and approval of minutes from the February 8, 2016 regular meeting and February 8, 2016 special meeting.
 - b. Review and approval of the March 2016 financial report.
3. Presentation of FY2015 Audited Financial Statements by Mahlke Hunsaker & Company – Brent Hyatt/Scott Hunsaker
4. Consideration of a request to approve an agreement between TFURA and CH2M in the amount of \$358,000 for Owner Representation Services associated with the Main Avenue Project – Phil Kushlan (see staff report)
5. Presentation of the 2015 Annual Report – Phil Kushlan
6. Main Avenue Project update – Mandi Roberts and Phil Kushlan
7. Executive Director Report: By-Laws, Operating Agreement, FY2017 Budget, Urban Renewal Law Amendments – Phil Kushlan
8. Consideration of a request to accept and approve the guaranteed maximum price (GMP) for the demolition of the Rogerson building and downtown fountain area – Travis Rothweiler.
9. Public input and/or items from the Urban Renewal Agency Board or staff.
10. Adjournment:
 - a. Executive Session 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency.
11. Adjourn. Next regular meeting: **Monday, April 11, 2016 @ 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.*



MEETING MINUTES

February 8, 2016

The Urban Renewal Agency held its regular monthly meeting at 12:00 p.m. this date in the Twin Falls City Council Chambers located at 305 3rd Avenue East, Twin Falls.

Present:

Dan Brizee	URA Chairman
Dexter Ball	URA Vice Chairman
Neil Christensen	URA Secretary
Perri Gardner	URA Member
Bob Richards	URA Member
Gary Garnand	URA Member
Brad Wills	URA Member

Absent: None

Also present:

Travis Rothweiler	City Manager / Interim Urban Renewal Executive Director
Lorrie Bauer	City Administrative Assistant
Jesse Schuerman	Urban Renewal Engineer
Brent Hyatt	City Assistant Finance Officer
Fritz Wonderlich	City Attorney
Renee Carraway Johnson	City Zoning & Development Manager
Mitch Humble	Deputy City Manager
Leon Mills	Twin Falls County Commissioner Liaison
Don Hall	City Council Liaison to URA
Josh Baird	City Engineer
Mandi Roberts	Otak, Inc.
Gary Haderlie	JUB Engineers
Clint Sievers	Hummel Architects
Phil Kushlan	Kushlan Associates

Agenda Item 1 - Call meeting to order.

Chairman Brizee called the meeting to order at 12:08 p.m.

Agenda Item 2 - Consent Agenda: a) Review and approval of minutes from the January 11, 2016 regular meeting and January 19, 2016 special meeting, and b) Review and approval of the February 2016 financial report.

Brad Wills moved to accept the consent agenda as submitted and Neil Christensen seconded the motion. Roll call vote showed that all board members present voted in favor of the motion.

Agenda Item 3 - Consideration of a request to vacate an existing sewer easement (SE-738) and grant a new public utilities easement to replace it – Josh Baird.

In reviewing the background information, Josh explained the City of Twin Falls replaced an existing sewer line in the Rock Creek Canyon that was on URA property. Late 2014, the URA Board approved a temporary construction easement so the new sewer line could be built in a new location. Project is

complete and vacation of the old easement is being requested, as well as a new sewer easement be granted where the new sewer line is located.

Bob Richards moved to vacate the existing sewer easement and grant a new public utilities easement and Gary Garnand seconded the motion. Roll call vote showed that all board members present voted in favor of the motion.

Agenda Item 4 - Main Avenue Project update – Mandi Roberts.

Mandi shared the demolition packages have been prepared for the Rogerson building, Banner building (partial demo), and the Hansen Street right-of-way (fountain and plaza elements) and given to Starr Corp., CMGC, to prepare bidding packages and manage the bidding process. Clint Sievers added that the contractors will be able to bid each package individually or together. Advertisement for bids will take place in the near future and Starr will present the results in March.

Mandi added the design plans for the Fairfield to Shoshone portion are 90% complete and are being submitted for staff review. Now that Main Avenue has been combined into one construction phase, the design schedule for the remainder of the project will be completed in May/June. She asked for the Boards direction for the inclusion of the downtown commons area to be included in the CMGC contract for City Hall. She explained the benefits of having that work sequenced to the City Hall project by coordination of the CMGC, Starr. After some discussion, the board agreed this was an appropriate action so a resolution will be presented at the next board meeting for a decision.

The bidding and timing of the remainder of the Main Avenue project was initially going to be done in two phases, but now it's been combined into one. Mandi stated the optimal time of year to bid projects is in the fall and winter seasons, with construction beginning as soon as the weather accommodates after January 2nd and ending towards the fall of 2017. She added there was an alley section currently under design, northern stretch of Shoshone to Idaho, with construction to begin early this summer. The remainder of the alley work would be completed later. The Project Advisory Committee (PAC), are in agreement that it would be better to begin and end the project next year. Due to financial concerns, Mandi suggested a cost saving strategy could be to order trees and pavers this year for contractors use next year, and separating the furnishings from the project.

Agenda Item 5 - Consideration of a request for URA Staff to negotiate an Owner Representation Services Agreement with the qualified firms determined by the request for qualification (RFQ) process – Jesse Schuerman.

Jesse explained that a selection committee consisting of members from the URA Board, URA Staff, and City Staff reviewed and ranked the received qualifications. Three firms were determined to be qualified to represent the Agency's interest during construction of the downtown projects. The next step is to negotiate the scope and agreement beginning with the top firm, CH2M. Jesse added that if an agreement could not be reached, negotiations would continue with the 2nd then 3rd ranked firms, Civil Science and Riedesel. Once an agreement is reached, staff will present it to the Board for consideration.

Perri Gardner moved to accept the ranking list as presented by staff and authorized staff to begin negotiations with the top ranked firm. Bob Richards seconded the motion.

Brad Wills asked if there were any other engineering work that would need to be hired out. Mandi Roberts, Otak, made sure everyone understood that the engineer of record (Otak) has certain responsibilities during construction such as responding to requests for information, providing input for substitutions, change order request, etc. These construction engineering and inspection services are not included in Otak's, nor JUB Engineers' current contracts, but could be scoped and added later.

With no further discussion, roll call vote showed that all board members present voted in favor of the motion.

Agenda Item 6 - Discussion on the City's Economic Development Director and the Twin Falls Urban Renewal Executive Director's role and position – Travis Rothweiler.

Travis reported the results of his communications in the areas of economic development and the Urban Renewal Director. He shared the Urban Renewal Agency is one of the primary, if not the most significant tool that we have to promote economic development. The top concerns that we are not doing as well as we should include business retention and expansion, and marketing Twin Falls for its strengths and create opportunities that fit our economic development strategy. The reasons are believed to be the number of employees in the economic development department did not allow enough time to accomplish our model of success. His recommendation is to 1) hire an Interim Urban Renewal Executive Director to help us work through the busiest and aggressive part of the Urban Renewal schedule as it relates to the Downtown Renaissance project and 2) to help us learn the skill sets that are needed for an Urban Renewal Director. While utilizing the interim services available, we search for an economic development director professional, either in-house or through a secondary hire. The next step is to present this report to the City Council later on this date and solicit their feedback in regards to the economic development director role and position. Search for this position is hoped to begin within a week and stay open for approximately one month. Interviews will follow with representation from Urban Renewal Agency because it is believed one person can coordinate the work for both the City and the Agency.

Agenda Item 7 - Consideration of Agreement for Professional Services – Travis Rothweiler.

Travis introduced the agenda item by stating there is potential to enter into an agreement with Phil Kushlan to serve as the Interim Director for the Urban Renewal Agency. The agreement would begin from now and continue until September 30th. The agreement calls for a retainer of \$5,400/month with an hourly wage above and beyond the retainer. Phil would work out of City Hall four days a month and be available to attend other businesses and meetings as needed, or conference in by phone. This would allow the Downtown Renaissance Project and the Agency to receive the time and attention it needs. Phil was invited to address the Board.

Travis shared Phil's background includes City Manager experience in Oregon and Washington, Executive Director of the Stadium District in Seattle, Capital City Development Corporation (Boise's Urban Renewal Agency) for 10 years overseeing the entire operations of CCDC including their downtown development projects, as well as other projects that helped Boise grow and be successful at that time.

Bob Richards motioned to approve the Professional Services Agreement to hire Phil with an expiration date of September 30th. Gary Garnand seconded the motion. Roll call vote showed that all board members present voted in favor of the motion.

Agenda Item 8 - Consideration of a request to approve Western Financial Group (WFG) to act as Municipal Advisor to the Twin Falls Urban Renewal Agency on a Private Loan between Clif Bar and the Agency – Brent Hyatt.

Brent explained that Clif Bar has provided funding under a promissory note agreement, which became effective November 12, 2013, for certain public construction projects within RAA 4-4. This note is due June 15, 2016. WFG would act as the municipal advisor to the Agency for a private loan to refinance amount borrowed under the agreement as a long-term promissory note between the Agency and Clif Bar. He shared they have been working with bond counsel for a resolution, but help is needed to finalize the funding by reviewing cash flow projections related to taxes generated by the project and the ability

of those segregated taxes to repay the loan, and to make sure we are in compliance with securities and regulations. WFG would work with Skinner Facet, legal counsel to the Agency, and will bear a fiduciary responsibility to the Agency and the City of Twin Falls, but will not be negotiating rates or structures on the Agency's behalf. WFG estimates 40 hours or less at an hourly rate of \$250.00, which results a fee of \$10,000 or less. The costs will be paid for out of the bond proceeds. If the transaction does not proceed as expected or changes in nature, the scope and fee will be revised and resubmitted for approval.

Gary Garnand moved to approve Western Financial Group (WFG) to act as the Municipal Advisor for the Urban Renewal on a private loan between Clif Bar and the Agency. Neil Christensen seconded the motion. Roll call vote showed that all board members present voted in favor of the motion.

Agenda Item 9 - Public input and/or items from the Urban Renewal Agency Board or staff.

None.

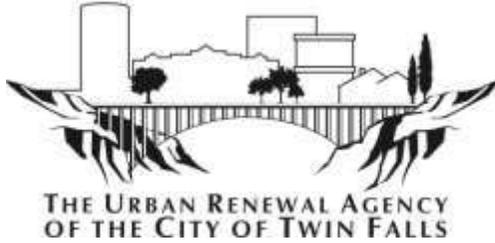
Agenda Item 10 - Adjourn.

The meeting adjourned at 1:04 pm.

Next regular meeting: Monday, March 14, 2016 @ 12:00 pm.

Respectfully submitted,

Lorrie Bauer
Administrative Assistant



**MEETING MINUTES
Special Meeting**

February 8, 2016

The Urban Renewal Agency held a special meeting at 12:00 p.m. this date in the Council Chambers located at 305 3rd Avenue East, City Hall, Twin Falls.

Present:

Dan Brizee	URA Chairman
Dexter Ball	URA Vice Chairman
Neil Christensen	URA Secretary
Perri Gardner	URA Member (arrived after adjournment)
Bob Richards	URA Member
Gary Garnand	URA Member
Brad Wills	URA Member

Absent:

Also present:

Travis Rothweiler	City Manager / Interim Urban Renewal Executive Director
Lorrie Bauer	City Administrative Assistant
Fritz Wonderlich	City Attorney
Don Hall	City Council Liaison to URA
Phil Kushlan	Kushlan Associates

Agenda Item 1 – Call meeting to order.

Chairman Brizee called the meeting to order at 11:30 a.m.

Agenda Item 2 – Adjournment:

- Executive Session 74-206(1)(a) to consider hiring a public officer, employee, staff member or individual agent, whose qualities are to be evaluated in order to fill a particular vacancy or need, not to fill a vacancy in an elective office or deliberate staffing needs in general.

Neil Christensen moved to adjourn to executive session. Bob Richards seconded the motion. Roll call vote showed that all board members present voted in favor of the motion. Chairman Brizee announced they would be returning to open the scheduled regular meeting at 12:00 p.m.

The meeting adjourned at 11:33 a.m.

Respectfully submitted,

Lorrie Bauer
Administrative Assistant

Urban Renewal Agency of the City of Twin Falls, ID
P&L Over (Under) Budget - YTD
 October 2015 through February 2016

	Oct '15 - Feb 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Wash. Fed. LOC	0.00	2,500,000.00	-2,500,000.00	0.0%
Line of Credit Adv. - Clif Bar	3,599,509.79	15,000,000.00	-11,400,490.21	24.0%
Investment Income	5,877.56	8,780.00	-2,902.44	66.9%
Property Taxes	4,129,729.69	7,471,290.00	-3,341,560.31	55.3%
Rental Income	181,274.23	433,726.00	-252,451.77	41.8%
Total Income	7,916,391.27	25,413,796.00	-17,497,404.73	31.1%
Gross Profit	7,916,391.27	25,413,796.00	-17,497,404.73	31.1%
Expense				
RAA 4-1				
Main Ave.	394,039.53			
Rogerson Building	23,010.45			
Downtown Development	7,845.82			
RAA 4-1 - Other	0.00	6,964,993.00	-6,964,993.00	0.0%
Total RAA 4-1	424,895.80	6,964,993.00	-6,540,097.20	6.1%
RAA 4-3 (Chobani)				
Debt Pay. (Chobani) Interest	0.00	1,372,570.00	-1,372,570.00	0.0%
Debt Pay. (Chobani) Principal	0.00	1,180,000.00	-1,180,000.00	0.0%
RAA 4-3 (Chobani) - Other	132,612.49	9,076,000.00	-8,943,387.51	1.5%
Total RAA 4-3 (Chobani)	132,612.49	11,628,570.00	-11,495,957.51	1.1%
RAA 4-4 (Clif Bar)	3,599,219.53	15,056,477.00	-11,457,257.47	23.9%
Bond Trustee Fees	0.00	3,000.00	-3,000.00	0.0%
Community Relations & Website	0.00	1,700.00	-1,700.00	0.0%
Debt Payments - Interest	37,019.31	118,880.00	-81,860.69	31.1%
Debt Payments - Principal	0.00	1,005,000.00	-1,005,000.00	0.0%
Dues and Subscriptions	750.00	2,650.00	-1,900.00	28.3%
Insurance Expense	0.00	5,800.00	-5,800.00	0.0%
Legal Expense	0.00	1,000.00	-1,000.00	0.0%
Management Fee	114,500.00	229,000.00	-114,500.00	50.0%
Meeting Expense	846.89	4,000.00	-3,153.11	21.2%
Miscellaneous	9,979.77	10,500.00	-520.23	95.0%
Office Expense	337.00	500.00	-163.00	67.4%
Prof. Dev.\Training	0.00	2,800.00	-2,800.00	0.0%
Property Tax Expense	26,143.28	37,000.00	-10,856.72	70.7%
Real Estate Exp. - Call Center	12,695.30	133,400.00	-120,704.70	9.5%
Real Estate Exp. - Other	1,500.55	7,200.00	-5,699.45	20.8%
Real Estate Lease	72,000.00	72,000.00	0.00	100.0%
Total Expense	4,432,499.92	35,284,470.00	-30,851,970.08	12.6%
Net Ordinary Income	3,483,891.35	-9,870,674.00	13,354,565.35	-35.3%
Other Income/Expense				
Other Income				
Cash Carryover	0.00	10,123,000.00	-10,123,000.00	0.0%
Transfers In	0.00	305,927.00	-305,927.00	0.0%
Transfers Out	0.00	-305,927.00	305,927.00	0.0%
Total Other Income	0.00	10,123,000.00	-10,123,000.00	0.0%
Net Other Income	0.00	10,123,000.00	-10,123,000.00	0.0%
Net Income	3,483,891.35	252,326.00	3,231,565.35	1,380.7%

Twin Falls Urban Renewal March Check List - 2016						
Check #	Date	Paid Amount	Name	Account	Fund	Memo
3209	02/05/2016	13,300.95	Keller Associates	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	AC #139 Wastewater Facility / #17
3210	02/05/2016	278,313.90	Contractors Northwest, Inc.	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	AC #140 Wastewater Facility Construction / #9
3211	02/05/2016	1,951.40	JUB Engineers, Inc.	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	AC #141 Hankins Water Storage Tank / Inv. #98496
3212	02/16/2016	64,999.00	Eastern Idaho Railroad	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	AC #142 3300 E RR Crossing/#90455538
3213	02/19/2016	127,776.20	Stock Construction Services, Inc.	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	AC #143 Construction Mgmt Services / #2850-10
3214	02/26/2016	17,185.51	City of Twin Falls	RAA 4-3 (Chobani)	Rev Alloc 4-3	Repayment of Expenses - Requisition #4
3215	02/26/2016	2,750,000.00	City of Twin Falls	Accts Pay - Rev. Alloc. 4-3	Rev Alloc 4-3	Repayment of contribution as agreed for Chobani Pre-Treatment
3216	03/08/2016	473,510.57	Contractors Northwest, Inc.	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	AC #145 Wastewater Treatment Facility Construction
3217	03/08/2016	77.55	JUB Engineers, Inc.	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	AC #146 Hankins Water Storage Tank/ #99116
3218	03/11/2016	15,153.95	Keller Associates	RAA 4-4 (Clif Bar)	Rev Alloc 4-4	AC #144 Wastewater Facility/#18
3219	03/17/2016	44.44	City of Twin Falls	Meeting Expense	General	Reimburse for Costco meeting refreshments/02-26-2016
3219	03/17/2016	28.97	City of Twin Falls	Meeting Expense	General	Reimburse for Costco meeting refreshments/02-05-2016
3220	03/17/2016	1,900.00	EHM Engineers, Inc.	Rogerson Building	Rev Alloc 4-1	Building Demolition Analysis / #001-15
3221	03/17/2016	260.33	Idaho Power	Real Estate Exp. - Call Center	Rental Fund	Power - 851 Pole Line Rd
3221	03/17/2016	11.27	Idaho Power	Real Estate Exp. - Other	Rev Alloc 4-1	Power - 122 4th Ave S (Park)
3222	03/17/2016	352.00	J & L Sweeping Service, Inc.	Real Estate Exp. - Call Center	Rental Fund	Property Maintenance - Feb / #25804
3223	03/17/2016	61.00	Jimmy John's	Meeting Expense	General	Lunch meeting 2/08/2016
3224	03/17/2016	13,984.80	JUB Engineers, Inc.	Main Ave.	Rev Alloc 4-1	2015 Main Ave Utility Project / #99047
3225	03/17/2016	450.00	K & G Property Management	Real Estate Exp. - Call Center	Rental Fund	Property Management - Feb / #3582
3226	03/17/2016	13,922.40	Kushlan Associates	Professional Fees	General	Interim Ex Director Jan-Feb 2016
3227	03/17/2016	100.00	Landscaping Your Way	Real Estate Exp. - Other	Rev Alloc 4-1	D. Bowyer Park Maintenance - Dec / #9
3228	03/17/2016	1,735.46	Magic Valley Electric	Real Estate Exp. - Call Center	Rental Fund	C3 light poles (3) repair / #3733
3229	03/17/2016	92,205.18	Otak	Main Ave.	Rev Alloc 4-1	Streetscape & DT Commons / #21600280
3230	03/17/2016	77.50	The Gyros Shop	Meeting Expense	General	Lunch meeting 2/22/2016 / Inv. #13
3231	03/17/2016	3,000.00	Zions First National Bank	Bond Trustee Fees	Rev Alloc 4-3	Bond Trustee Fee / #8568616

**Urban Renewal Agency of the City of Twin Falls, ID
Profit & Loss Detail**

February 2016

Type	Date	Num	Name	Memo	Amount	Balance
Ordinary Income/Expense						
Income						
Line of Credit Adv. - Clif Bar						
Deposit	02/05/2016		Clif Bar & Co.	Advance on LOC	293,566.25	293,566.25
Deposit	02/12/2016		Clif Bar & Co.	Advance on the LOC	64,999.00	358,565.25
Deposit	02/19/2016		Clif Bar & Co.	Advance on the Line of Credit	127,776.20	486,341.45
General...	02/26/2016	AJE #164		To recognize the difference between funds wired to t...	-33.00	486,308.45
Total Line of Credit Adv. - Clif Bar					486,308.45	486,308.45
Investment Income						
General...	02/01/2016	AJE #165		Interest Earned on account	142.41	142.41
Deposit	02/01/2016			Interest	18.21	160.62
Deposit	02/01/2016			Interest	129.09	289.71
Deposit	02/04/2016			Interest	81.01	370.72
Deposit	02/29/2016			Interest	982.23	1,352.95
Total Investment Income					1,352.95	1,352.95
Property Taxes						
Deposit	02/16/2016	16-0243...	Twin Falls County ...	Property Taxes - January, 2016	7,087.37	7,087.37
Total Property Taxes					7,087.37	7,087.37
Rental Income						
Deposit	02/22/2016	20654	C3	Rent - Security Deposit Applied	2,753.58	2,753.58
General...	02/29/2016	AJE #163		To recognize balance of used for rent payment	32,702.13	35,455.71
Total Rental Income					35,455.71	35,455.71
Total Income					530,204.48	530,204.48
Gross Profit					530,204.48	530,204.48
Expense						
RAA 4-1						
Main Ave.						
Check	02/02/2016	3204	JUB Engineers, Inc.	2015 Main Ave Utility Project / #98646	9,832.36	9,832.36
Check	02/02/2016	3207	Otak	Streetscape & DT Commons / #11600355	93,500.92	103,333.28
Check	02/02/2016	3208	Times News	RFQ Notice for Owner Representatiave Services / #1...	93.39	103,426.67
Total Main Ave.					103,426.67	103,426.67
Total RAA 4-1					103,426.67	103,426.67
RAA 4-3 (Chobani)						
Check	02/26/2016	3214	City of Twin Falls	Repayment of Expenses - Requisition #4	17,185.51	17,185.51
Total RAA 4-3 (Chobani)					17,185.51	17,185.51
RAA 4-4 (Clif Bar)						
Check	02/05/2016	3209	Keller Associates	AC #139 Wastewater Facility / #17	13,300.95	13,300.95
Check	02/05/2016	3210	Contractors Northw...	AC #140 Wastewater Facility Construction / #9	278,313.90	291,614.85
Check	02/05/2016	3211	JUB Engineers, Inc.	AC #141 Hankins Water Storage Tank / Inv. #98496	1,951.40	293,566.25
Check	02/16/2016	3212	Eastern Idaho Railr...	AC #142 3300 E RR Crossing/#90455538	64,999.00	358,565.25
Check	02/19/2016	3213	Stock Construction...	AC #143 Construction Mgmt Services / #2850-10	127,776.20	486,341.45
General...	02/26/2016	AJE #164		To recognize the difference between funds wired to t...	-33.00	486,308.45
Total RAA 4-4 (Clif Bar)					486,308.45	486,308.45
Debt Payments - Interest						
Deposit	02/01/2016	27071	Washington Federal	URA \$3,900,000 Rev Allocation Refunding Bond, Ser...	-682.27	-682.27
Total Debt Payments - Interest					-682.27	-682.27
Management Fee						
Check	02/02/2016	3199	City of Twin Falls	1/2 Management Fee - 2016	114,500.00	114,500.00
Total Management Fee					114,500.00	114,500.00
Meeting Expense						
Check	02/02/2016	3201	Idaho Pizza Comp...	Meeting Lunch 1/19/16 / #1601190001	45.69	45.69
Check	02/02/2016	3202	Great Harvest Brea...	Meeting Lunch 1/25/16 / #101	124.68	170.37
Total Meeting Expense					170.37	170.37
Miscellaneous						
Check	02/02/2016	3198	Canyon Floral	Board Member Condolence	42.95	42.95
Total Miscellaneous					42.95	42.95

Urban Renewal Agency of the City of Twin Falls, ID

Profit & Loss Detail

February 2016

Type	Date	Num	Name	Memo	Amount	Balance
Office Expense						
Check	02/26/2016			Service Charge	15.00	15.00
Total Office Expense					15.00	15.00
Real Estate Exp. - Call Center						
Check	02/02/2016	3197	ACCO Engineered ...	HVAC Preventatiave Maintenance - Jan / #650104	748.00	748.00
Check	02/02/2016	3200	Idaho Power	Power - 851 Pole Line Rd	251.35	999.35
Check	02/02/2016	3203	J & L Sweeping Se...	Property Maintenance - Jan / #25703	352.00	1,351.35
Check	02/02/2016	3205	K & G Property Ma...	Property Management - Jan / #3576	450.00	1,801.35
Check	02/02/2016	3206	Kimberly Nurseries	Snow Removal on 1/15/16 (C3) / #139152	722.50	2,523.85
Total Real Estate Exp. - Call Center					2,523.85	2,523.85
Real Estate Exp. - Other						
Check	02/02/2016	3200	Idaho Power	Power - 122 4th Ave S (Park)	11.64	11.64
Check	02/02/2016	3206	Kimberly Nurseries	Snow/Ice Removal on 1/15/16 (Idaho & 3rd) / #139188	315.00	326.64
Total Real Estate Exp. - Other					326.64	326.64
Total Expense					723,817.17	723,817.17
Net Ordinary Income					-193,612.69	-193,612.69
Net Income					-193,612.69	-193,612.69

Urban Renewal Agency of the City of Twin Falls, ID
Balance Sheet
As of February 29, 2016

	Feb 29, 16
ASSETS	
Current Assets	
Checking/Savings	
Cash	
WF General Checking #6350	38,683.41
WF Savings #8992	4,020,939.88
Zions #8616 - Excess Funds	6,630,226.25
Zions #8616B - Payment Acct.	0.71
Zions #8616C - Bond Reserve	2,705,669.97
Wash. Fed. #342-4	398,137.83
Wash. Fed. Bond Reserve	430,216.10
State Investment Pool	456,048.52
Total Cash	14,679,922.67
Total Checking/Savings	14,679,922.67
Other Current Assets	
Due from Other Governments	5,310.00
Property Taxes Receivable	135,130.00
Total Other Current Assets	140,440.00
Total Current Assets	14,820,362.67
Fixed Assets	
Land	1,350,000.00
Building	3,856,902.16
Equipment	475,000.00
Accumulated Depreciation	-852,733.56
Total Fixed Assets	4,829,168.60
TOTAL ASSETS	19,649,531.27
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Deferred Rev.-Property Tax	130,569.00
Total Long Term Liabilities	130,569.00
Total Liabilities	130,569.00
Equity	
Fund Balance	
Fund Balance-General Fund	2,018.58
Fund Balance-Revenue Alloc.	7,504,869.49
Fund Balance-Bond Fund	3,574,156.00
Fund Balance-Rental Fund	5,589,569.19
Total Fund Balance	16,670,613.26
Unrestricted Net Assets	-635,542.34
Net Income	3,483,891.35
Total Equity	19,518,962.27
TOTAL LIABILITIES & EQUITY	19,649,531.27

Urban Renewal Agency of the City of Twin Falls, ID
Balance Sheet Detail
As of February 29, 2016

Type	Date	Num	Name	Memo	Amount	Balance
ASSETS						22,625,846.09
Current Assets						17,796,677.49
Checking/Savings						17,656,237.49
Cash						17,656,237.49
WF General Checking #6350						3,584,165.67
Deposit	02/01/2016			Deposit	682.27	3,584,847.94
Check	02/02/2016	3197	ACCO Engineered Systems	HVAC Preventative Maintenance - Ja...	-748.00	3,584,099.94
Check	02/02/2016	3198	Canyon Floral	Board Member Condolence	-42.95	3,584,056.99
Check	02/02/2016	3199	City of Twin Falls	1/2 Management Fee - 2016	-114,500.00	3,469,556.99
Check	02/02/2016	3200	Idaho Power	Electric Billing	-262.99	3,469,294.00
Check	02/02/2016	3201	Idaho Pizza Company	Meeting Lunch 1/19/16 / #1601190001	-45.69	3,469,248.31
Check	02/02/2016	3202	Great Harvest Bread Com...	Meeting Lunch 1/25/16 / #101	-124.68	3,469,123.63
Check	02/02/2016	3203	J & L Sweeping Service, I...	Property Maintenance - Jan / #25703	-352.00	3,468,771.63
Check	02/02/2016	3204	JUB Engineers, Inc.	2015 Main Ave Utility Project / #98646	-9,832.36	3,458,939.27
Check	02/02/2016	3205	K & G Property Managem...	Property Management - Jan / #3576	-450.00	3,458,489.27
Check	02/02/2016	3206	Kimberly Nurseries	Snow Removal	-1,037.50	3,457,451.77
Check	02/02/2016	3207	Otak	Streetscape & DT Commons / #11600...	-93,500.92	3,363,950.85
Check	02/02/2016	3208	Times News	RFQ Notice for Owner Representatiav...	-93.39	3,363,857.46
Transfer	02/02/2016			Funds Transfer	-3,335,000.00	28,857.46
Check	02/05/2016	3209	Keller Associates	AC #139 Wastewater Facility / #17	-13,300.95	15,556.51
Check	02/05/2016	3210	Contractors Northwest, Inc.	AC #140 Wastewater Facility Constru...	-278,313.90	-262,757.39
Check	02/05/2016	3211	JUB Engineers, Inc.	AC #141 Hankins Water Storage Tank...	-1,951.40	-264,708.79
Deposit	02/05/2016			Deposit	293,566.25	28,857.46
Deposit	02/12/2016			Deposit	64,999.00	93,856.46
Deposit	02/16/2016			Deposit	7,087.37	100,943.83
Check	02/16/2016	3212	Eastern Idaho Railroad	AC #142 3300 E RR Crossing/#90455...	-64,999.00	35,944.83
Check	02/19/2016	3213	Stock Construction Servic...	AC #143 Construction Mgmt Services /...	-127,776.20	-91,831.37
Deposit	02/19/2016			Deposit	127,776.20	35,944.83
Deposit	02/22/2016			Deposit	2,753.58	38,698.41
Transfer	02/25/2016			Funds Transfer	2,750,000.00	2,788,698.41
Transfer	02/26/2016			Funds Transfer	17,185.51	2,805,883.92
Check	02/26/2016	3214	City of Twin Falls	Repayment of Expenses - Requisition...	-17,185.51	2,788,698.41
Check	02/26/2016	3215	City of Twin Falls	Repayment of contribution as agreed	-2,750,000.00	38,698.41
Check	02/26/2016			Service Charge	-15.00	38,683.41
Total WF General Checking #6350					-3,545,482.26	38,683.41
WF Bond Escrow #6400						0.00
Total WF Bond Escrow #6400						0.00
WF Revenue Alloc. #5601						0.00
Total WF Revenue Alloc. #5601						0.00
WF Bond Reserve #5602						0.00
Total WF Bond Reserve #5602						0.00
WF Bond Fund #5600						0.00
Total WF Bond Fund #5600						0.00
WF Savings #8992						3,434,957.65
Transfer	02/02/2016			Funds Transfer	3,335,000.00	6,769,957.65
Transfer	02/25/2016			Funds Transfer	-2,750,000.00	4,019,957.65
Deposit	02/29/2016			Interest	982.23	4,020,939.88
Total WF Savings #8992					585,982.23	4,020,939.88
Zions #8616 - Excess Funds						6,647,282.67
Deposit	02/01/2016			Interest	129.09	6,647,411.76
Transfer	02/26/2016			Funds Transfer	-17,185.51	6,630,226.25
Total Zions #8616 - Excess Funds					-17,056.42	6,630,226.25
Zions #8616A - Bond Proceeds						0.00
Total Zions #8616A - Bond Proceeds						0.00
Zions #8616B - Payment Acct.						0.71
Total Zions #8616B - Payment Acct.						0.71
Zions #8616C - Bond Reserve						2,705,588.96
Deposit	02/04/2016			Interest	81.01	2,705,669.97
Total Zions #8616C - Bond Reserve					81.01	2,705,669.97
Wash. Fed. #342-4						398,137.83
Total Wash. Fed. #342-4						398,137.83
Wash. Fed. Bond Reserve						430,197.89
Deposit	02/01/2016			Interest	18.21	430,216.10
Total Wash. Fed. Bond Reserve					18.21	430,216.10

Urban Renewal Agency of the City of Twin Falls, ID
Balance Sheet Detail
As of February 29, 2016

Type	Date	Num	Name	Memo	Amount	Balance
State Investment Pool						455,906.11
General Journal	02/01/2016	AJE #165		Interest Earned on account	142.41	456,048.52
Total State Investment Pool					142.41	456,048.52
Parking Lot Sinking Cash #3425						0.00
Total Parking Lot Sinking Cash #3425						0.00
Wells Fargo Securities #1251						0.00
Total Wells Fargo Securities #1251						0.00
Zions Warrant #6362						0.00
Total Zions Warrant #6362						0.00
Cash - Other						0.00
Total Cash - Other						0.00
Total Cash					-2,976,314.82	14,679,922.67
Total Checking/Savings					-2,976,314.82	14,679,922.67
Accounts Receivable						0.00
Accounts Receivable						0.00
Total Accounts Receivable						0.00
Total Accounts Receivable						0.00
Other Current Assets						140,440.00
Accounts Receivable Clif Bar						0.00
Total Accounts Receivable Clif Bar						0.00
Account Receivable - Chobani						0.00
Total Account Receivable - Chobani						0.00
Deposits						0.00
Total Deposits						0.00
Due from Other Governments						5,310.00
Total Due from Other Governments						5,310.00
Interest Receivable						0.00
Int. Rec.-Zions Bond						0.00
Total Int. Rec.-Zions Bond						0.00
Int. Rec.-Bond Fund						0.00
Total Int. Rec.-Bond Fund						0.00
Int. Rec.-Revenue Allocation						0.00
Total Int. Rec.-Revenue Allocation						0.00
Interest Receivable - Other						0.00
Total Interest Receivable - Other						0.00
Total Interest Receivable						0.00
Inventory Asset						0.00
Total Inventory Asset						0.00
Prepaid Insurance						0.00
Total Prepaid Insurance						0.00
Property Taxes Receivable						135,130.00
Total Property Taxes Receivable						135,130.00
Total Other Current Assets						140,440.00
Total Current Assets					-2,976,314.82	14,820,362.67
Fixed Assets						4,829,168.60
Land						1,350,000.00
Total Land						1,350,000.00
Building						3,856,902.16
Total Building						3,856,902.16
Equipment						475,000.00
Total Equipment						475,000.00
Accumulated Depreciation						-852,733.56
Total Accumulated Depreciation						-852,733.56
Total Fixed Assets						4,829,168.60

Urban Renewal Agency of the City of Twin Falls, ID
Balance Sheet Detail
As of February 29, 2016

Type	Date	Num	Name	Memo	Amount	Balance
Other Assets						0.00
Due from General (4-2)						0.00
Total Due from General (4-2)						0.00
Lease Receivable-Jayco						0.00
Total Lease Receivable-Jayco						0.00
Note Receivable - Agro Farma						0.00
Total Note Receivable - Agro Farma						0.00
Property Tax Clearing Account						0.00
Total Property Tax Clearing Account						0.00
Total Other Assets						0.00
TOTAL ASSETS					-2,976,314.82	19,649,531.27
LIABILITIES & EQUITY						22,625,846.09
Liabilities						2,913,271.13
Current Liabilities						2,750,000.00
Accounts Payable						0.00
Accounts Payable						0.00
Total Accounts Payable						0.00
Total Accounts Payable						0.00
Credit Cards						0.00
Total Credit Cards						0.00
Other Current Liabilities						2,750,000.00
Accts Pay - Rev. Alloc. 4-4						0.00
Total Accts Pay - Rev. Alloc. 4-4						0.00
Due to Other Governments						0.00
Total Due to Other Governments						0.00
Accts Pay - Bond Fund						0.00
Total Accts Pay - Bond Fund						0.00
Accts Pay - General						0.00
Total Accts Pay - General						0.00
Accts Pay - Rental Fund						0.00
Total Accts Pay - Rental Fund						0.00
Accts Pay - Rev. Alloc. 4-1						0.00
Total Accts Pay - Rev. Alloc. 4-1						0.00
Accts Pay - Rev. Alloc. 4-3						2,750,000.00
Check	02/26/2016	3215	City of Twin Falls	Repayment of contribution as agreed f...	-2,750,000.00	0.00
Total Accts Pay - Rev. Alloc. 4-3						-2,750,000.00
Payroll Liabilities						0.00
Total Payroll Liabilities						0.00
Prepaid Rent						0.00
Total Prepaid Rent						0.00
Total Other Current Liabilities						-2,750,000.00
Total Current Liabilities						-2,750,000.00
Long Term Liabilities						163,271.13
BID Grant Oversight						0.00
Total BID Grant Oversight						0.00
Deferred Rev.-Lease						0.00
Total Deferred Rev.-Lease						0.00
Deferred Rev.-Lease Principal						0.00
Total Deferred Rev.-Lease Principal						0.00
Deferred Rev.-Property Tax						130,569.00
Total Deferred Rev.-Property Tax						130,569.00
Due to Rev. Alloc. (4-1)						0.00
Total Due to Rev. Alloc. (4-1)						0.00
Notes and Bonds Payable						0.00
Bond Payable - Rev. Alloc.						0.00
Total Bond Payable - Rev. Alloc.						0.00

Urban Renewal Agency of the City of Twin Falls, ID
Balance Sheet Detail
As of February 29, 2016

Type	Date	Num	Name	Memo	Amount	Balance
Note - D.L. Evans Bank						0.00
Total Note - D.L. Evans Bank						0.00
Note - Dell Building						0.00
Total Note - Dell Building						0.00
Note - McElliott						0.00
Total Note - McElliott						0.00
Notes and Bonds Payable - Other						0.00
Total Notes and Bonds Payable - Other						0.00
Total Notes and Bonds Payable						0.00
Security Deposit						32,702.13
General Journal	02/29/2016	AJE #163		To recognize balance of used for rent ...	-32,702.13	0.00
Total Security Deposit					-32,702.13	0.00
Total Long Term Liabilities					-32,702.13	130,569.00
Total Liabilities					-2,782,702.13	130,569.00
Equity						19,712,574.96
Fund Balance						16,670,613.26
Fund Balance-General Fund						2,018.58
Total Fund Balance-General Fund						2,018.58
Fund Balance-Revenue Alloc.						7,504,869.49
Total Fund Balance-Revenue Alloc.						7,504,869.49
Fund Balance-Bond Fund						3,574,156.00
Total Fund Balance-Bond Fund						3,574,156.00
Fund Balance-Rental Fund						5,589,569.19
Total Fund Balance-Rental Fund						5,589,569.19
Fund Balance-Sinking Fund						0.00
Total Fund Balance-Sinking Fund						0.00
Fund Balance - Other						0.00
Total Fund Balance - Other						0.00
Total Fund Balance						16,670,613.26
Opening Balance Equity						0.00
Total Opening Balance Equity						0.00
Unrestricted Net Assets						-635,542.34
Total Unrestricted Net Assets						-635,542.34
Net Income						3,677,504.04
Total Net Income					-193,612.69	3,483,891.35
Total Equity					-193,612.69	19,518,962.27
TOTAL LIABILITIES & EQUITY					-2,976,314.82	19,649,531.27

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

**AUDITED FINANCIAL STATEMENTS
September 30, 2015**

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

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February 19, 2016

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Urban Renewal Agency of the
City of Twin Falls, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on pages 30-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2016, on our consideration of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting and compliance.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, pllc
Twin Falls, Idaho

FINANCIAL STATEMENTS

Government-Wide Financial Statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

Statement of Net Position

September 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	14,384,634	\$ 222,834	\$ 14,607,468
Receivables:			
Property taxes	135,130	-	135,130
Other governments	5,310	-	5,310
Other	3,982,681	-	3,982,681
Prepaid Expenses	18,000	-	18,000
Construction in progress	16,687,100	-	16,687,100
Real estate	2,621,783	-	2,621,783
Land, buildings and improvements	-	5,206,902	5,206,902
Equipment	-	475,000	475,000
Accumulated depreciation	-	(852,734)	(852,734)
	<u>\$ 37,834,638</u>	<u>\$ 5,052,002</u>	<u>\$ 42,886,640</u>
Liabilities			
Accounts payable	\$ 7,291,319	\$ 34,640	\$ 7,325,959
Security deposits	-	68,158	68,158
Accrued interest	1,124,010	-	1,124,010
Construction advances	14,116,454	-	14,116,454
Noncurrent liabilities			
Due within one year	2,185,000	-	2,185,000
Due in more than one year	31,983,139	-	31,983,139
	<u>56,699,922</u>	<u>102,798</u>	<u>56,802,720</u>
Net Position			
Net investment in capital assets	5,192,429	4,829,168	10,021,597
Restricted for:			
Debt service	3,135,555	-	3,135,555
Unrestricted	(27,193,268)	120,036	(27,073,232)
Total Net Position	<u>(18,865,284)</u>	<u>4,949,204</u>	<u>(13,916,080)</u>
	<u>\$ 37,834,638</u>	<u>\$ 5,052,002</u>	<u>\$ 42,886,640</u>
Total Liabilities and Net Position	<u>\$ 37,834,638</u>	<u>\$ 5,052,002</u>	<u>\$ 42,886,640</u>

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Statement of Activities
For the Year Ended September 30, 2015

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 250,814	\$ -	\$ -	\$ -	\$ (250,814)	\$ -	\$ (250,814)
Community development	2,770,820	-	-	-	(2,770,820)	-	(2,770,820)
Interest on long-term debt	1,966,631	-	-	-	(1,966,631)	-	(1,966,631)
Total Governmental Activities	<u>4,988,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,988,265)</u>	<u>-</u>	<u>(4,988,265)</u>
Business-Type Activities:							
Rental property	302,568	435,162	-	-	-	132,594	132,594
Total Business-Type Activities	<u>302,568</u>	<u>435,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,594</u>	<u>132,594</u>
Total Primary Government							
General Revenues and Transfers:							
Taxes:							
Property taxes, levied for general tax increment purposes					8,357,193	-	8,357,193
Interest and investment earnings					12,246	-	12,246
Transfers					772,960	(772,960)	-
Total General Revenues and Transfers					<u>9,142,399</u>	<u>(772,960)</u>	<u>8,369,439</u>
Changes in Net Position					4,154,134	(640,366)	3,513,768
Net Position, October 1, 2014					<u>(23,019,418)</u>	<u>5,589,570</u>	<u>(17,429,848)</u>
Net Position, September 30, 2015					<u>\$ (18,865,284)</u>	<u>\$ 4,949,204</u>	<u>\$ (13,916,080)</u>

The accompanying notes are an integral part of the financial statements

FINANCIAL STATEMENTS

Fund Financial Statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Fund Balance Sheet
GOVERNMENTAL FUNDS
September 30, 2015

	General	Redevelopment	Debt Service	Total Governmental Funds
Assets				
Cash	\$ 579	\$ 11,678,644	\$ -	\$ 11,679,223
Restricted cash	-	-	2,705,411	2,705,411
Property tax receivable	-	135,130	-	135,130
Other receivables	-	3,982,681	-	3,982,681
Due from other governments	-	5,310	-	5,310
Total Assets	<u>\$ 579</u>	<u>\$ 15,801,765</u>	<u>\$ 2,705,411</u>	<u>\$ 18,507,755</u>
Liabilities				
Accounts payable	<u>\$ 581</u>	<u>\$ 7,290,738</u>	<u>\$ -</u>	<u>\$ 7,291,319</u>
Total Liabilities	<u>581</u>	<u>7,290,738</u>	<u>-</u>	<u>7,291,319</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	<u>-</u>	<u>130,569</u>	<u>-</u>	<u>130,569</u>
Fund Balances				
Restricted fund balance:	-	-	2,705,411	2,705,411
Unrestricted fund balance:				-
Committed fund balance	-	8,437,226	-	8,437,226
Assigned fund balance	-	-	-	-
Unassigned fund balance	<u>(2)</u>	<u>(56,768)</u>	<u>-</u>	<u>(56,770)</u>
Total Fund Balances	<u>(2)</u>	<u>8,380,458</u>	<u>2,705,411</u>	<u>11,085,867</u>
Total Liabilities and Fund Balances	<u>\$ 579</u>	<u>\$ 15,801,765</u>	<u>\$ 2,705,411</u>	<u>\$ 18,507,755</u>

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Statement of Revenues, Expenditures, and Changes in Fund Balances
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2015

	General	Redevelopment	Debt Service	Total Governmental Funds
Revenues				
Property taxes	\$ -	\$ 5,844,308	\$ 2,442,592	\$ 8,286,900
Investment income	11,373	279	595	12,247
Total Revenues	<u>11,373</u>	<u>5,844,587</u>	<u>2,443,187</u>	<u>8,299,147</u>
Expenditures				
Current				
General government and administration	250,716	54	-	250,770
Area development and improvements	-	14,432,825	-	14,432,825
Real estate expense	-	14,169	-	14,169
Debt service				
Principal	-	1,254,090	5,558,000	6,812,090
Interest and other charges	44	48,115	1,726,326	1,774,485
Total Expenditures	<u>250,760</u>	<u>15,749,253</u>	<u>7,284,326</u>	<u>23,284,339</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(239,387)</u>	<u>(9,904,666)</u>	<u>(4,841,139)</u>	<u>(14,985,192)</u>
Other Financing Sources (Uses)				
Transfers in (out)	237,368	(3,436,802)	3,972,394	772,960
Construction advances	-	9,564,411	-	9,564,411
Issuance of debt	-	4,750,139	-	4,750,139
Bond loan fees	-	(97,494)	-	(97,494)
Total Other Financing Sources (Uses)	<u>237,368</u>	<u>10,780,254</u>	<u>3,972,394</u>	<u>14,990,016</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,019)	875,588	(868,745)	4,824
Fund Balances - Beginning of Year	2,017	7,504,870	3,574,156	11,081,043
Fund Balances - End of Year	<u>\$ (2)</u>	<u>\$ 8,380,458</u>	<u>\$ 2,705,411</u>	<u>\$ 11,085,867</u>

The accompanying notes are an integral part of the financial statements

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

**Reconciliation of Governmental Funds Balance Sheet to the Government-wide Statement of Net Position
September 30, 2015**

Governmental Fund Balances	\$ 11,085,867
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	19,308,883
Prepaid expenses are not a financial resource and therefore not reported in the governmental funds	18,000
Certain property tax collections are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds	130,569
Long-term liabilities, including bonds, real estate notes, and revenue notes and related accrued interest, are not due and payable in the current period and therefore are not reported in the governmental funds	(49,408,603)
Total Net Position of Governmental Activities	\$ (18,865,284)

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Government-wide Statement of Activities for the year ended September 30, 2015**

Net Change in Fund Balances - Total Governmental Funds	\$ 4,824
Amounts reported for governmental activities in the Statement of Activities are different because:	
Property tax revenues in the government-wide statement of activities include economic resources that are not reported as revenues in the governmental fund operating statement	70,292
Governmental funds report principal payments in the period they are paid while the payment reduces long-term liabilities in the Statement of Net Assets	6,812,090
Accrued interest is reported in the statement of activities, but does not require the use of financial resources and therefore is not reported as an expenditure in governmental funds	(94,698)
Government funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	-
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources	(14,314,550)
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation in the current period	11,676,176
Changes in Net Position of Governmental Activities	\$ 4,154,134

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Statement of Net Position
PROPRIETARY FUND
September 30, 2015

	Rental Activity
Assets	
Cash	\$ 222,834
Land, Buildings and Improvements	5,206,902
Equipment	475,000
Accumulated Depreciation	(852,734)
Total Assets	\$ 5,052,002
Liabilities	
Accounts Payable	\$ 34,639
Security Deposits	68,158
Total Liabilities	102,797
Net Position	
Net Investment in Capital Assets	4,829,168
Restricted	-
Unrestricted	120,037
Total Net Position	4,949,205
Total Liabilities and Net Position	\$ 5,052,002

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Statement of Revenues, Expenses and Changes in Fund Net Position
PROPRIETARY FUND
For the Year Ended September 30, 2015

	<u>Rental Activity</u>
Operating Revenues	
Rental income	\$ 435,162
Total Operating Revenues	<u>435,162</u>
Expenses	
Depreciation	120,109
Property taxes	36,148
Real estate lease	72,000
Real estate expense	74,310
Total Operating Expenses	<u>302,567</u>
Operating Income (Loss)	<u>132,595</u>
Interfund Transfers	
Transfers in (out)	<u>(772,960)</u>
Net Transfers	<u>(772,960)</u>
Change in Net Position	(640,365)
Net Position - Beginning of Year	<u>5,589,570</u>
Net Position - End of Year	<u><u>\$ 4,949,205</u></u>

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Statement of Cash Flows
PROPRIETARY FUND
September 30, 2015

	Rental Activity
Cash Flows from Operating Activities	
Receipts from customers	\$ 435,162
Payments to suppliers	(151,731)
Net Cash Provided (Used) by Operating Activities	283,431
Cash Flows from Non-Capital Financing Activities	
Transfers from other funds	(772,960)
Net Cash Provided (Used) by Non-Capital Financing Activities	(772,960)
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(22,490)
Net Cash Provided (Used) by Capital and Related Financing Activities	(22,490)
Net Increase (Decrease) in Cash and Cash Equivalents	(512,019)
Cash - Beginning of Fiscal Year	734,853
Cash - End of Fiscal Year	\$ 222,834
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	\$ 132,595
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation	120,109
Increase (decrease) in Accounts payable	30,727
Security deposits	-
Net Cash Provided (Used) by Operating Activities	\$ 283,431

The accompanying notes are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS

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

**NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES

Organization

The Urban Renewal Agency of the City of Twin Falls, Idaho was organized under Idaho law on July 19, 1965 to rehabilitate, conserve, and redevelop deteriorated or deteriorating areas in the City of Twin Falls to increase the tax base, promote economic development and promote employment.

In April 1998, the Urban Renewal Agency adopted an Urban Renewal Plan for Urban Renewal Area No. 4 and created Revenue Allocation Area No. 4-1.

Urban Renewal Area No. 4 includes the old town area and much of the industrial area of Twin Falls, stretching from 2800 East to 3300 East between the South Park Avenue / Kimberly Road line on the north and Orchard Avenue on the south, plus a call center building on Poleline Road.

Revenue Allocation Area No. 4-1 includes limited areas within Urban Renewal Area No. 4.

In April 2007, the Agency created Revenue Allocation Area 4-2 which was modified to include the eligible area between 3200 East and 3300 East and south of the Eastern Idaho rail line. The purpose of this was to provide tax increment revenue to use for economic development in the Area. Accordingly, the Agency is using this revenue to reimburse the developer, over 5 years, for infrastructure required for development to occur.

In November 2011, the Board of Directors passed a resolution creating Revenue Allocation Area No. 4-3. Revenue Allocation Area No. 4-3 consists of approximately two hundred and twenty acres and is generally located south of Kimberly Road (3800 North of Highway 30, west of 3300 East and north of the railroad).

In July of 2013 the Board of Directors approved an expansion of the original Revenue Allocation Area 4-1. The expansion, of 10%, was towards the central downtown area of Twin Falls. The Agency does not anticipate a significant amount of property tax revenue, but it will allow participation with the City of Twin Falls in needed infrastructure improvements that are within the new expansion area.

Under Chapter 20, Title 50 of the Idaho Code, the Agency is an independent public body, corporate and politic. For financial reporting purposes only the Agency is a discretely presented component unit of the reporting entity of the City of Twin Falls, Idaho.

Financial Reporting Entity

The Agency's financial statements include the accounts of all Agency operations. Governmental accounting and financial reporting standards require the inclusion of any organizations considered a component unit of the reporting entity.

Urban Renewal Agency of the City of Twin Falls, Idaho has no component units, but is considered a component unit of the City.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

The financial statements of the Urban Renewal Agency of the City of Twin Falls, Idaho, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the governmental Agency's accounting policies are described below.

Basis of Presentation

The Agency's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Agency as a whole. The primary government is presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the Agency's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the Agency at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities and for each identifiable activity of the business-type activities of the Agency. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Agency does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Agency's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Other revenue sources not properly included with program revenues are reported as general revenues of the Agency. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the Agency.

Fund Financial Statements

During the year, the Agency segregates transactions related to certain Agency functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Agency at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting

The Agency uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Agency uses two categories of funds: governmental and proprietary.

Governmental Funds

Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The Agency reports the difference between its governmental fund assets and its liabilities and deferred inflows of resources as fund balance. The following are the Agency's major governmental funds:

Major Governmental Funds

The *general fund* is the Agency's primary operating fund. It accounts for all financial resources of the agency, except those required to be accounted for in another fund.

The *redevelopment fund* accounts for revenue sources that are legally restricted to expenditures for specific purposes.

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or non-expendable trust funds.

Proprietary funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds.

The *rental fund* is used to account for the costs necessary to operate the Agency's rental property and the charges necessary to offset those costs.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Measurement Focus, Basis of Accounting and Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities and deferred inflows of resources associated with the operation of the Agency are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statements of cash flows provide information about how the Agency finances and meets the cash flow needs of its proprietary activities.

BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Agency, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

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

**NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Revenues-Non-exchange Transactions

Non-exchange transactions, in which the Agency receives value without directly giving equal value in return, include property taxes, grants and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Agency must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Agency on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized in the governmental funds.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: Property taxes and interest. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY

Deposits and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Agency. Short-term investments are all in U. S. Treasury money market funds regulated by the Securities and Exchange Commission.

State statutes authorize the Agency to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are stated at fair market value at year end.

The Agency is a voluntary participant in the State of Idaho Local Government Investment Pool (LPIG). The LPIG is regulated by State of Idaho Code under the oversight of the Treasurer of the State of Idaho. The fair value of the Agency's investments in the pool is reported in the accompanying financial statements at amounts based on the Agency's pro-rata share of the fair market value provided by the fund for the entire portfolio. The LGIP is not rated by a nationally recognized statistical rating organization.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Custodial Credit Risk

For deposits and investments, custodial credit risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The Agency does not have a policy for custodial credit risk outside of the deposit and investment agreements.

Credit Risk

Credit risk is the risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's Standard & Poor's and Fitch's. The investments of the Agency are not rated and the Agency's policy does not restrict them to rated.

Receivables and Payables

All trade and property tax receivables are shown net of any allowances for collectability.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Tax increment property tax revenues are restricted first to the ongoing payment of revenue bonds outstanding. When received, these revenues are deposited in a separate account controlled by a bank trustee. All use of these funds must be requisitioned and approval of the trustee is required before payment is made.

The amount shown as restricted cash in the financial statements is the maximum annual debt service requirements for both principal and interest on the bonds.

Capital Assets and Depreciation

In its process and efforts to rehabilitate many areas of the City of Twin Falls, the Agency has acquired certain properties and made improvements such as streets, parking lots and parks. Many of these parcels acquired and constructed have been contributed to the City of Twin Falls but certain real estate acquisitions are held by the Agency for future rehabilitation, conservation, redevelopment, and sale in accordance with its purpose.

Proprietary capital assets are reported in their respective fund. Donated assets are stated at fair value on the date donated. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Capital Assets and Depreciation - continued

Property, plant and equipment are depreciated in the proprietary funds using the straight-line method over the following estimated useful lives:

Land	Not depreciated
Buildings and improvements	50 years
Machinery and equipment	5-20 years

Depreciation has been computed and recorded in these statements for the rental fund's existing building.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated. Interfund transactions are reported as operating transfers in conformity with generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

**NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Accrued Liabilities and Long-Term Obligations – continued

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds.

Long-term liabilities consist of bonds, notes, and other indebtedness

Debt Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against debt payable and debt issuance costs are recognized as an outflow of resources in the period incurred. On the government-wide and proprietary fund type statement of activities, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

At the government fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued. Debt issuance costs are reported as debt service expenditures.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Governmental Fund Balances

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable fund balance - Includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the Agency’s highest level of decision-making authority, the Board of Directors.

Assigned Fund Balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This intent can be expressed by the Board of Directors through the budgetary process.

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

NOTES TO FINANCIAL STATEMENTS
September 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING PROCEDURES-Continued

Governmental Fund Balances – continued

Unassigned Fund Balance – This classification includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The Agency applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Agency, those revenues are rental income. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Items that do not result from the provision of goods or services to customers or directly relate to the principal and usual activity of the fund are recorded as nonoperating revenues and expenses. These items include investment earnings and gains or losses on the disposition of capital assets.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. It is at least reasonably possible that the significant estimates used will change within the next year.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Annually by September 1, the Agency is required to adopt and publish a budget for the next fiscal year. This budget is prepared by fund and includes historical information for the prior two years.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, redevelopment, and debt service funds. All annual appropriations lapse at fiscal year-end.

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

**NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – continued

Excess of Expenditures over Appropriations

For the fund year ended September 30, 2015, expenditures exceeded appropriation in the General Fund by \$29,342. Expenditures in the general fund were \$1,797 less than budgeted. The Agency was able to reduce budgeted transfers to the General fund from Redevelopment funds by \$32,455 to benefit from previous years surpluses.

Other

The Agency's Funds are requiring more accountability as additional revenue allocation areas are added. No allocation was made of property tax revenues to the general funds revenues, as has been the practice in past years, in an effort to first use the general funds reserves before requiring revenue allocation areas to contribute to the General Funds annual overhead.

3. CASH AND INVESTMENTS

Cash and Cash Equivalents – A reconciliation of cash and cash equivalents at September 30, 2015 is as follows.

Cash in bank	\$ 7,652,495
State Investment Pool	455,564
Money-market bond funds	<u>6,499,409</u>
Total Cash & Cash Equivalents	<u>\$ 14,607,468</u>

The reconciled bank balance is covered by \$250,000 federal depository insurance with the remainder covered by collateral held by the Agency's agent in the Agency's name.

The Agency has no investments in foreign currency and no expenses to foreign currency risk.

4. TAXES RECEIVABLE AND UNAVAILABLE REVENUE

The Urban Renewal Agency operates within Twin Falls County, Idaho. Idaho counties are responsible for collecting property taxes and remitting them to the various taxing entities within the County. Annually, taxes on property are due on the 20th of December; however, they may be paid in two installments with the second installment due June 20 in the following year. Penalties and interest are assessed if a taxpayer fails to pay an installment within ten days of the installment due date.

Taxes on real property are a lien on the property and attach on July 1, of the year for which taxes are levied. After a three-year waiting period, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner, and such other persons described by statute, by paying all back taxes and accumulated penalties, interest and costs.

In the governmental fund statements, taxes receivable and unavailable revenue consist of property tax revenue yet to be collected. Amount due from other governments is the property tax revenue estimated to be collected by Twin Falls County after year end and remitted to the Agency through November 2015.

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2015

5. CAPITAL ASSETS

A summary of activity in the general fixed for the Agency for the year ended September 30, 2015, was as follows:

	Balance, September 30, 2014	Additions	Deletions	Balance, September 30, 2015
Governmental Activities:				
Construction in Progress	\$ 4,552,043	\$ 12,135,057	\$ -	\$ 16,687,100
Land and Buildings	3,080,665	-	(458,882)	2,621,783
	<u>\$ 7,632,708</u>	<u>\$ 12,135,057</u>	<u>\$ (458,882)</u>	<u>\$ 19,308,883</u>
Business Type Activities:				
Land	\$ 1,350,000		\$ -	\$ 1,350,000
Buildings & Improvments	3,834,412	22,490	-	3,856,902
Equipment	475,000	-	-	475,000
Total	<u>\$ 5,659,412</u>	<u>\$ 22,490</u>	<u>\$ -</u>	<u>\$ 5,681,902</u>
Accumulated Depreciation for Business-Type Activities				
Buildings & Improvments	\$ 347,625	\$ 84,276	\$ -	\$ 431,901
Equipment	385,000	35,833	-	420,833
Total	<u>\$ 732,625</u>	<u>\$ 120,109</u>	<u>\$ -</u>	<u>\$ 852,734</u>

6. LONG-TERM DEBT

The Agency has issued revenue allocation bonds that are payable, both principal and interest, solely from the revenues the Agency derives from the increased property taxes generated from the revenue allocation area described in the bond ordinance.

On August 1, 2005, the Agency issued \$7,735,000 in Revenue Allocation Refunding Bonds, Series 2005A, to refund the \$6,935,000 outstanding principal of the Agency's Urban Renewal Multi-Mode Variable Rate Revenue Allocation (Tax Increment) Bonds, 1998, Series A to provide for a fixed interest rate and a present value interest cost savings; and to provide a reserve fund and to pay costs of issuance of the Bonds. The term of the new bonds is the same as the refunded bonds. These bonds were retired in the current year.

On February 21, 2013, the Agency issued \$34,533,000 in Revenue Allocation Bonds, Series 2013A and 2013B, for the acquisition of land and to prepare the land for industrial development, to improve public infrastructure, which included the construction of water lines, improvement of wastewater collection lines, wastewater pretreatment and treatment, natural gas and power in relation to the Chobani and future projects.

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

**NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

6. LONG-TERM DEBT - Continued

On February 5, 2015, the Agency issued \$4,350,000 in Revenue Allocation Bonds, Series 2015A (Tax-Exempt) and 2015B (Federally Taxable), to retire the Urban Renewal Agency of the City of Twin Falls' Revenue Allocation Refunding Bonds, Series 2005A.

On July 23, 2015, the Agency issued in the principal amount of up to \$5,550,000 in Revenue Allocation Bonds, Series 2015C for the purpose of funding certain urban renewal projects.

Revenue bonds and notes

Outstanding debt at September 30, 2015 consists of the following:

Revenue Allocation Refunding Bonds, Series 2015A (Tax Exempt), dated February 5, 2015 and maturing August 1, 2022. These are revenue allocation (tax-increment) bonds payable, both principal and interest, solely from the income, proceeds, revenues and funds the Agency derives from and in connection with the increased property taxes generated from the revenue allocation area as described in the bond ordinance and instrument. The proceeds of the bonds provided funds to refund prior obligations issued, establish a reserve fund, and to pay costs of issuance of the Bonds and other expenses. The bonds are term bonds that require annual sinking fund deposits on August 1 each year. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at 2.1%

\$ 3,280,000

Revenue Allocation Bonds, Series 2013A, dated February 21, 2013 and maturing April 1, 2032. These are revenue allocation (tax-increment) bonds payable, both principal and interest, solely from the income, proceeds, revenues and funds the Agency derives from and in connection with the increased property taxes generated from the revenue allocation area as described in the bond ordinance and instrument. The proceeds of the bonds provided funding to certain urban renewal projects. The bonds are term bonds that require annual sinking fund deposits on April 1 each year. Bonds maturing August 1, 2016 and later are subject to prior redemption on August 1, 2015. The bonds bear interest at 4.502%. Repayment of the bonds is guaranteed by Chobani Global Holding, Inc.

30,488,000

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2015

6. LONG-TERM DEBT – continued

Revenue Allocation Bonds, Series 2015C, dated July 23, 2015 and maturing August 1, 2022. These are revenue allocation bonds that may be issued for up to \$5,500,000. The Agency established a fund designated the Revenue Allocation Fund, which shall include any Revenue Allocation Revenues established under the Urban Renewal Plan, as amended. All Pledged Revenues shall be deposited upon receipt in the Revenue Allocation Fund which shall be used first to pay for the interest on the bonds. Second to pay or provide for the payment of principal and redemption premium. Third to fund the Reserve Fund and fourth to pay for any repairs, additions or improvements to the Project or for any other urban renewal project in the Revenue Allocation Area or any other purpose of the Agency permitted by the Urban Renewal Plan and Law. The bonds are term bonds that require semi-annual interest payments on February 1 and August 1. Annual principal payments are due on August 1 each year beginning on August 1, 2018. The bonds interest rates vary, currently the rate is 1.534%.

\$ 400,139

Total

\$ 34,168,139

Expected annual maturities of these obligations are as follows:

<u>Year</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
September 30, 2016	\$ 3,632,603	\$ 1,447,603	\$ 2,185,000
September 30, 2017	3,652,374	1,373,374	2,279,000
September 30, 2018	3,193,893	1,295,754	1,898,139
September 30, 2019	2,795,917	1,226,917	1,569,000
September 30, 2020	2,806,157	1,161,157	1,645,000
2021-2025	13,647,343	4,704,343	8,943,000
2026-2030	13,232,961	2,612,961	10,620,000
2031-2032	5,371,377	342,377	5,029,000
Total	<u>\$ 48,332,625</u>	<u>\$ 14,164,486</u>	<u>\$ 34,168,139</u>

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

**NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

6. LONG-TERM DEBT – continued

Changes in Long-Term Debt

During the year ended September 30, 2015, the following changes occurred in liabilities reported as the general long-term debt.

Obligation	Balances, September 30, 2013	Additions	Repayments	Balances, September 30, 2014
Promissory note payable to Larry and Karen Tucker	\$ 184,096	\$ -	\$ 184,096	\$ -
Revenue Allocation Bonds, Series 2005A	4,435,000	-	4,435,000	-
Revenue Allocation Bonds, Series 2013A	31,611,000	-	1,123,000	30,488,000
Revenue Allocation Bonds, Series 2015A-Tax Exempt	-	3,900,000	620,000	3,280,000
Revenue Allocation Bonds, Series 2015B-Taxable	-	450,000	450,000	-
Revenue Allocation Bonds, Series 2015C-Taxable	-	400,139		400,139
Total	\$ 36,230,096	\$ 4,750,139	\$ 6,812,096	\$ 34,168,139

The bonds, or other debt of the Agency are not indebtedness, within the meaning of any constitutional or statutory debt limitation, and are not and will not be a debt of the Agency of Twin Falls, and the Agency shall not be liable thereon.

7. OPERATING LEASE EXPENSE

The Agency leases a parking lot for use by employees of its tenant, C3. The initial term of this lease is fifteen years from January 2003. The lease requires annual rent of \$68,000 due on January 1 each year through 2012, increasing to \$72,000 on January 1, 2013. If the lease is renewed for an additional five-year term the rent increases to \$124,630 on January 1, 2018. The lease agreement includes annual options to purchase beginning in December 2007. The option amount is \$1,133,000 until 2012, increasing to \$1,246,300 in 2013, and to \$1,370,930 if not exercised until after 2017.

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

**NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

7. OPERATING LEASE EXPENSE –continued

The future minimum lease payments on this lease, through 2019, are as follows:

September 30, 2016	\$	72,000
September 30, 2017		72,000
September 30, 2018		124,630
September 30, 2019		124,630
September 30, 2020		124,630
Total	\$	<u>517,890</u>

8. MANAGEMENT AGREEMENT

The Agency and the City of Twin Falls entered into an agreement in March 1993, where the City agreed to provide administrative, legal, engineering, budgeting and accounting services in exchange for a fee paid by the Agency. The amount is determined annually and was \$229,000 for the year.

9. COMMITMENTS AND SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through February 19, 2016, the date which the financial statements were available to be issued.

10. BOND COVENANT COMPLIANCE

The Agency is subject to various covenants as a result of the various bonds issued by the Agency. During the year ended September 30, 2015, the Agency is in compliance with these covenants.

REQUIRED SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Investment Income	2,000	2,000	11,373	9,373
Total Revenues	2,000	2,000	11,373	9,373
Expenditures				
Current				
General government	256,650	256,650	250,716	5,934
Area development and improvements	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	44	(44)
Total Expenditures	256,650	256,650	250,760	5,890
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(254,650)	(254,650)	(239,387)	15,263
Other Financing Sources (Uses)				
Transfers in (out)	224,650	224,650	237,368	12,718
Total Other Financing Sources (Uses)	224,650	224,650	237,368	12,718
Excess (Deficiency) of Revenues and Other Financing Sources				
Over (Under) Expenditures and Other Financing Uses	\$ (30,000)	\$ (30,000)	(2,019)	\$ 27,981
Fund Balance - Beginning of Year			2,017	
Fund Balance - End of Year			\$ (2)	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Redevelopment Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 4,041,474	\$ 4,041,474	\$ 5,844,308	\$ 1,802,834
Investment income	250	250	279	29
Total Revenues	<u>4,041,724</u>	<u>4,041,724</u>	<u>5,844,587</u>	<u>1,802,863</u>
Expenditures				
Current				
General government and administration	-	-	54	(54)
Area development and improvements	25,703,604	25,703,604	14,432,825	11,270,779
Real estate expense	6,200	6,200	14,169	(7,969)
Debt service				
Principal	1,254,060	1,254,060	1,254,090	(30)
Interest and other charges	46,288	46,288	48,115	(1,827)
Total Expenditures	<u>27,010,152</u>	<u>27,010,152</u>	<u>15,749,253</u>	<u>11,260,899</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,968,428)</u>	<u>(22,968,428)</u>	<u>(9,904,666)</u>	<u>13,063,762</u>
Other Financing Sources (Uses)				
Cash carryover	-	-	-	-
Contributions	-	-	-	-
Construction advances	15,688,985	15,688,985	9,564,411	(6,124,574)
Issuance of debt	(4,350,000)	(4,350,000)	4,750,139	9,100,139
Bond loan fees	-	-	(97,494)	(97,494)
Transfers in (out)	548,311	548,311	(3,436,802)	(3,985,113)
Proceeds From the Sale of Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>11,887,296</u>	<u>11,887,296</u>	<u>10,780,254</u>	<u>(1,107,042)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (11,081,132)</u>	<u>\$ (11,081,132)</u>	875,588	<u>\$ 11,956,720</u>
Fund Balance - Beginning of Year			7,504,870	
Fund Balance - End of Year			<u>\$ 8,380,458</u>	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 3,407,724	\$ 3,407,724	\$ 2,442,592	\$ (965,132)
Investment income	300	300	595	295
Total Revenues	3,408,024	3,408,024	2,443,187	(964,837)
Expenditures				
Debt service				
Principal	5,558,000	5,558,000	5,558,000	-
Interest and other charges	1,706,353	1,706,353	1,726,326	(19,973)
Total Expenditures	7,264,353	7,264,353	7,284,326	(19,973)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,856,329)	(3,856,329)	(4,841,139)	(984,810)
Other Financing Sources (Uses)				
Issuance of Debt	-	-	-	-
Transfers in (out)	-	-	3,972,394	3,972,394
Total Other Financing Sources (Uses)	-	-	3,972,394	3,972,394
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (3,856,329)	\$ (3,856,329)	(868,745)	\$ 2,987,584
Fund Balance - Beginning of Year			3,574,156	
Fund Balance - End of Year			\$ 2,705,411	

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Proprietary Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Rental income	\$ 435,908	\$ 435,908	\$ 435,162	\$ (746)
Total Revenues	<u>435,908</u>	<u>435,908</u>	<u>435,162</u>	<u>(746)</u>
Expenditures				
Current				
Depreciation	-	-	120,109	(120,109)
Insurance	-	-	-	-
Property taxes	37,000	37,000	36,148	852
Real estate lease	72,000	72,000	72,000	-
Real estate expense	133,400	133,400	74,310	59,090
Total Expenditures	<u>242,400</u>	<u>242,400</u>	<u>302,567</u>	<u>(60,167)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>193,508</u>	<u>193,508</u>	<u>132,595</u>	<u>(60,913)</u>
Other Financing Sources (Uses)				
Transfers in (out)	<u>(772,960)</u>	<u>(772,960)</u>	<u>(772,960)</u>	-
Total Other Financing Sources (Uses)	<u>(772,960)</u>	<u>(772,960)</u>	<u>(772,960)</u>	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (579,452)</u>	<u>\$ (579,452)</u>	(640,365)	<u>\$ (60,913)</u>
Fund Balance - Beginning of Year			<u>5,589,570</u>	
Fund Balance - End of Year			<u>\$ 4,949,205</u>	

The accompanying notes are an integral part of the financial statements

SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Combined Fund Balance Sheet
REDEVELOPMENT FUNDS
September 30, 2015

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Funds
Assets				
Cash	\$ 5,266,471	\$ 6,468,941	\$ (56,768)	\$ 11,678,644
Property tax receivable	135,130	-	-	135,130
Other receivables	-	-	3,982,681	3,982,681
Due from other governments	5,310	-	-	5,310
Total Assets	<u>\$ 5,406,911</u>	<u>\$ 6,468,941</u>	<u>\$ 3,925,913</u>	<u>\$ 15,801,765</u>
Liabilities				
Accounts payable	\$ 307,020	\$ 3,001,037	\$ 3,982,681	\$ 7,290,738
Due to other funds	-	-	-	-
Total Liabilities	<u>307,020</u>	<u>3,001,037</u>	<u>3,982,681</u>	<u>7,290,738</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	<u>130,569</u>	<u>-</u>	<u>-</u>	<u>130,569</u>
Fund Balances				
Restricted fund balance:	-	-	-	-
Unrestricted fund balance:				
Committed fund balance	4,969,322	3,467,904	-	8,437,226
Assigned fund balance	-	-	-	-
Unassigned fund balance	-	-	(56,768)	(56,768)
Total Fund Balances	<u>4,969,322</u>	<u>3,467,904</u>	<u>(56,768)</u>	<u>8,380,458</u>
Total Liabilities and Fund Balances	<u>\$ 5,406,911</u>	<u>\$ 6,468,941</u>	<u>\$ 3,925,913</u>	<u>\$ 15,801,765</u>

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Redevelopment Fund
Combining Statement Of Revenues, Expenditures, and Changes in Fund Balances
By Project for the Redevelopment Fund
For the Year Ended September 30, 2015

	Area 4-1	Area 4-3	Area 4-4	Total Redevelopment Fund
Revenues				
Property taxes	\$ 2,360,037	\$ 3,484,271	\$ -	\$ 5,844,308
Investment income	-	279	-	279
Total Revenues	<u>2,360,037</u>	<u>3,484,550</u>	<u>-</u>	<u>5,844,587</u>
Expenditures				
Current				
General government and administration	54	-	-	54
Area development and improvements	1,392,104	3,476,019	9,564,702	14,432,825
Real estate expense	14,169	-	-	14,169
Debt service				-
Principal	1,254,090	-	-	1,254,090
Interest and other charges	48,115	-	-	48,115
Total Expenditures	<u>2,708,532</u>	<u>3,476,019</u>	<u>9,564,702</u>	<u>15,749,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(348,495)</u>	<u>8,531</u>	<u>(9,564,702)</u>	<u>(9,904,666)</u>
Other Financing Sources (Uses)				
Construction advances	-	-	9,564,411	9,564,411
Issuance of debt	4,750,139	-	-	4,750,139
Bond loan fees	(97,494)	-	-	(97,494)
Transfers in (out)	(3,401,120)	(35,682)	-	(3,436,802)
Total Other Financing Sources (Uses)	<u>1,251,525</u>	<u>(35,682)</u>	<u>9,564,411</u>	<u>10,780,254</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	903,030	(27,151)	(291)	875,588
Fund Balance - Beginning of Year	4,066,292	3,495,055	(56,477)	7,504,870
Fund Balance - End of Year	<u>\$ 4,969,322</u>	<u>\$ 3,467,904</u>	<u>\$ (56,768)</u>	<u>\$ 8,380,458</u>

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Combined Fund Balance Sheet
DEBT SERVICE FUNDS
September 30, 2015

	Area 4-1	Area 4-3	Total Debt Service Funds
Assets			
Cash	\$ -	\$ -	\$ -
Restricted cash	-	2,705,411	2,705,411
Total Assets	<u>\$ -</u>	<u>\$ 2,705,411</u>	<u>\$ 2,705,411</u>
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances			
Restricted fund balance:	-	2,705,411	2,705,411
Unrestricted fund balance:			-
Committed fund balance	-	-	-
Assigned fund balance	-	-	-
Unassigned fund balance	-	-	-
Total Fund Balances	<u>-</u>	<u>2,705,411</u>	<u>2,705,411</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 2,705,411</u>	<u>\$ 2,705,411</u>

The accompanying notes are an integral part of the financial statements

URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS, IDAHO
Debt Service Fund

Combining Statement Of Revenues, Expenditures, and Changes in Fund Balances
By Project for the Redevelopment Fund
For the Year Ended September 30, 2015

	Area 4-1	Area 4-3	Total Debt Service Fund
Revenues			
Property taxes	\$ 1	\$ 2,442,591	\$ 2,442,592
Investment income	28	567	595
Total Revenues	29	2,443,158	2,443,187
Expenditures			
Current			
Debt service			-
Principal	4,435,000	1,123,000	5,558,000
Interest and other charges	237,342	1,488,984	1,726,326
Total Expenditures	4,672,342	2,611,984	7,284,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,672,313)	(168,826)	(4,841,139)
Other Financing Sources (Uses)			
Transfers in (out)	3,972,394	-	3,972,394
Total Other Financing Sources (Uses)	3,972,394	-	3,972,394
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(699,919)	(168,826)	(868,745)
Fund Balance - Beginning of Year	699,919	2,874,237	3,574,156
Fund Balance - End of Year	\$ -	\$ 2,705,411	\$ 2,705,411

The accompanying notes are an integral part of the financial statements

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
Urban Renewal Agency of the
City of Twin Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Urban Renewal Agency of the City of Twin Falls, Idaho, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Urban Renewal Agency of the City of Twin Falls, Idaho's basic financial statements, and have issued our report thereon dated February 19, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the Urban Renewal Agency of the City of Twin Falls, Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Urban Renewal Agency of the City of Twin Falls, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

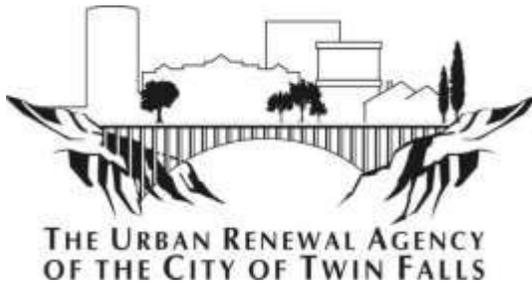
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Mahlke Hunsaker & Co.

MAHLKE HUNSAKER & COMPANY, PLLC
TWIN FALLS, IDAHO
February 19, 2016



Date: March 23, 2016

To: Urban Renewal Agency of the City of Twin Falls

From: Phil Kushlan, Interim Executive Director

Request:

Consideration of a request to approve an agreement between TFURA and CH2M in the amount of \$358,000 for Owner Representation Services associated with the Main Avenue Project.

Background:

While the Chobani and Clif Bar projects involved great overall financial commitments, the Main Avenue rehabilitation project is the largest construction contract ever undertaken directly by the Agency. Current estimate for all elements of the project, including the Main Avenue Streetscapes, the Commons and the utility work in the alleys is approximately \$14,000,000. In addition to the fiscal magnitude of the effort, the fact that we will be in the direct project manager's role means there will be literally hundreds of minor and major decisions called for during the finalization and execution of the construction. Many will be policy level decisions requiring Board attention and some will be more technical and thus appropriate for staff level review and approval. All are potentially complex and must be viewed in the overall context of the budget and schedule.

During our last meeting of the Board of Commissioners, you authorized negotiations with the highest ranking firm responding to the RFP issued for Owner Representative Services. That was CH2M.

At your direction, we entered into negotiations and have developed an agreed upon scope tailored to the Agency's needs as well as an approach and budget that can be accommodated within our resources.

Establishing a project governance and cost control model is of the highest priority for the project at this stage. This will ensure, to the greatest extent possible, that we will ultimately receive the results we all envision.

Approval Process:

Approval by a majority of the board in open meeting.

Budget Impact:

The Scope of Work has been divided into two Phases. The attached agreement commits the agency only to Phase One at this time. The Board retains full discretion on what, if any services will be authorized in a Phase Two.

The Phase One obligation under the agreement amounts to \$358,000. Any further commitment will be subject to Board review and approval.

Conclusion:

Staff recommends that the board approve this agreement and authorize the Chairman to sign.

Attachments:

CH2M Scope of Services
CH2M Agreement

Urban Redevelopment Authority, Twin Falls, Downtown Improvements (Streetscapes) Project

Scope of Services: Owner’s Representative Services Outline for URA’s Consideration

By: CH2M

March 14, 2016

General

The City of Twin Falls Urban Redevelopment Authority (Owner) will retain CH2M HILL Engineers, Inc. (Consultant) to act on behalf of the Owner, and be the Owner’s Representative, for the design, bid/award, and construction phases of the Project (City of Twin Falls Redevelopment Authority, Downtown Streetscapes Project). In general, Consultant shall provide project management oversight and coordination of the Project on behalf of the Owner. These services also include coordination with the Architects/Engineers (Designer) and Contractor involved with the Project. Furthermore, Consultant shall provide the services described herein. Services shall be provided within the Level of Effort (LOE) for the timeframes and the fee shown for each task. If the LOE or timeframes change, the fee will be adjusted accordingly.

It is recommended that Consultant initially provide the services under Tasks IA, IB, IC, and ID to assist the Owner in defining the project and the various contracting options available to the Owner. Task II defines the construction support services that will be subject to adjustment based on the changing requirements of the project leading up to bid/award and construction. Fee estimates shown for Task II is an order of magnitude estimate only and will change based on the type of construction delivery method used and the level of effort required by the Consultant. Task II will be incorporated by contract amendment as appropriate at a later date.

IA. Project Mission and Scope

Duration: 1 month

Fee Estimate: \$51,000

Summary

- Interview Stakeholders
- Identify project goals and objectives
- Review next estimate from OTAK
- Abbreviated Value Engineering Study assessing Scope and Budget Alignment

Scope

- 1) Examine information provided by Owner concerning Owner's goals, objectives, requirements, limitations, obligations, needs and purposes for the Project (the "Owner's Criteria"), including, but not limited to, design, construction, scheduling, budgetary and operational needs, restriction and requirements concerning the Project.
- 2) Interview Stakeholders. Clarify the ongoing roles and responsibilities of the various entities involved in the Project, including City staff, URA, interim URA Director, architectural and engineering teams on the Project (OTAK), along with the Utilities (JUB) and Plaza (Hummel) projects but limited to their direct impacts to the Project. Assist the Owner with the decision-making process. The consultant's coordination effort is limited to projects located within the Main Street redevelopment project area.
- 3) Consult with Owner and Designer regarding the Owner's Criteria to define project expectations, design, construction, scheduling, estimating, budgetary, operational issues or concerns, and report such issues and concerns to Owner with proposed recommendations, as appropriate.
- 4) Work with the URA and their support team to prioritize scope elements of the proposed development and establish the elements that can be afforded within the budget. The Designers will provide current cost estimates for the various scope elements for this assessment.
- 5) Develop the URA's stated cash flow for each year based on the schedule of work to be performed, as well as the planned budget available for expenditures on their funded elements of the Project. Review possible additional scope elements the URA is planning to accomplish on the Project, and assess the likelihood of budget to fund for those additional elements.
- 6) Identify a working plan for the cost sharing responsibilities and agreements between the URA and the City of Twin Falls for work elements such as demolition, utility relocations or other aspects of the planned work related to the Project.
- 7) Consultant may, at the Owner's discretion, conduct an abbreviated Value Engineering review of the project at the current 90% stage of design (using Value Engineering techniques) for the purpose of further aligning the project scope to be within the Owner's budget for the project. The VE review summary will be shared with the Owner, Architect and Engineer, with the anticipation that recommended items will be incorporated in the design prior to tendering the project.

Deliverables:

- Work Plan Summary
- VE Review Summary

IB. Project Execution Plan

Duration: 1-2 months

Fee Estimate: \$74,000

Summary

- Identify and document Governance Structure
- Develop a Budget Summary and Cost Status Report format for the project
- Prepare Project Master Schedule
- Facilitate Construction Procurement and Delivery Plan

- Develop scope of work for Consultant’s “Owner’s Representative Services During Construction” in alignment with roles and responsibilities of Owner, Designer (OTAK), and Construction Procurement and Delivery Plan

Scope

- 1) Develop a Project Execution Plan supporting an approach that minimizes cost and schedule impacts.
- 2) Identify and document Governance Structure for the project or various projects.
- 3) Develop a scope of work to assist the Owner’s efforts to administer the Design and Construction Contracts.
- 4) Develop a Budget and Cost Summary Report format for the project, for budget and scope accounting, and to align the different design segments. Compare estimates against budgets.
- 5) Prepare a summary level schedule of Project activities (the “Master Project Schedule”). The Master Project Schedule may include, but not be limited to:
 - a) Architecture and engineering services;
 - b) Long lead, pre-purchased (by Owner or under separate contract to Owner) bricks (if applicable) or amenities that will be built into the project;
 - c) Owner reviews and approvals;
 - d) Construction Procurement;
 - e) Construction Phase including general sequencing/phasing requirements and completion milestones.

Deliverables:

- Project Execution Plan
- Master Schedule
- Construction phase Scope of Services

IC. Reporting and Services during Design Completion

Duration: 9 months

Fee Estimate: \$158,000

Summary

- Facilitate Meetings (including preparing agenda and minutes)
- Identify and track Issues that potentially impact project costs and schedule
- Facilitate Coordination among Stakeholders
- Facilitate Approvals by Owner(s) (URA and City)
- Update Budget Summary Cost Status Report and Master Schedule
- Project Progress Report

Scope

- 1) Monitor and report the progress of the project design and preconstruction activities.
- 2) Provide input to Project Team on key decisions and assumptions impacting the quality, schedule, and cost of the Project.

- 3) Review and reconcile the construction cost estimates prepared by Designer. Make recommendations to Owner regarding corrective actions, if necessary. It is assumed that the Designers will provide construction estimates for the design submittals prepared for review.
- 4) Update the Master Project Schedule described under Task IB.
- 5) Conduct reviews of documents and reports provided by Designer and Contractor. Reviews are intended to ascertain on a general basis that the documents and reports appear to be consistent with standards in the industry. Consultant assumes no responsibility for accuracy and completeness of the design.
- 6) Monitor compliance with the Master Project Schedule and report any deviations to Owner.
- 7) Develop Issue tracking system that identifies issues that potentially impact project cost and schedule. Provide an update on a monthly basis including entering new items and updates the status of items previously entered.
- 8) Prepare and present a monthly progress report covering Project status, schedule, cost and budget issues and approvals (the "Monthly Report"). The Monthly Report shall contain an executive summary, list of items requiring owner action, schedule update, Project cost status report that tracks budgeted line items, expenses and changes, list of outstanding issues and any other documents necessary or appropriate for Owner review. The Monthly Report will also include a synopsis of relevant information developed by the Designer and Contractor.
- 9) Meet bi-weekly with Owner to review the status of the Project and items requiring Owner action. Facilitate approvals by Owner(s) (URA and City). Meet with the URA's and City's designated Communications Liaison for the project to reflect the liaison's input on scope and phasing issues as applicable within this scope.

Deliverables:

- Monthly Report
- Meeting agenda and minutes
- Master Schedule updates
- Budget Summary/Cost Summary updates
- Issue Tracking Sheet

ID. Services during Bid and Award

Duration: 3 months

Fee Estimate: \$75,000 (*Dependent on type of contract award and construction packages issued*)

Summary

- Bid Document Review
- Help OTAK with Bid Alternates so that Project Bid Awards are within Budget (alternates accepted as affordable)
- Guide URA and City through Bid/Award Process
- Assist with completion of Construction Contract and Preconstruction Meeting

Scope

- 1) Conduct a general review of the Contract Documents providing input on their suitability to be released for bid.
- 2) Participate in preconstruction meeting on behalf of the Owner to convey the intent of the Owner for project success and pertinent project information, such as schedule requirements and explanation of any alternate bids.
- 3) Assist the Owner with bidding the project, and selecting a qualified contractor or contractors for the Project.
- 4) In conjunction with the Designer, Consultant will evaluate the Contractor's bids and will advise the Owner of the following:
 - a) adequacy, completeness and compliance with the Bidding requirements in the Contract
 - b) potential schedule and cost impacts
 - c) areas of potential risk to Owner
- 5) Compliance and completeness of bid forms
- 6) Coordinate transmittal of documents to regulatory agencies if not Designer's or Contractor's responsibility pursuant to their respective contracts with Owner.
- 7) Assist Owner in selecting, retaining, coordinating the professional services of testing laboratories required for the Project.

Deliverables:

- Review comments on Bid Documents
- Bid Summary Results and Recommendations
- Meeting Minutes

Subtotal, Tasks IA through ID: \$358,000

II. Services during Construction

Duration: 9 months

Rough Fee Estimate Phase I: \$385,000 (dependent on the number of contractors, type of contracts awarded and construction duration)

Summary

- Construction Observation
- Assist with Payment Application and Change Order Reviews
- Coordinate Construction Phase Issues among Stakeholders
- Monthly Progress Report
- Facilitate Construction Progress Meetings

Scope

- 1) Facilitate communications between Owner, Contractor, and Designer.

- 2) Monitor and advise on Project Team performance relevant to potential quality, cost, and schedule impacts.
- 3) Meet with the URA's and City's designated representative for the project to obtain input on construction phase issues relevant to the project.
- 4) Monitor the performance of Contractor and report to Owner issues regarding contract compliance.
- 5) Review Contractor schedules and progress updates for compliance with the Contract Documents.
- 6) Monitor timely processing/updating of procurement and submittal logs prepared by the Contractor in conformance with Contract scheduling requirements.
- 7) Monitor the Designer's timely review and responses to Contractor requests for information and clarity of responses with the interest of timely turnaround of responses.
- 8) Review the Designer's supplemental instructions, bulletins, clarifications, construction change directives, change order requests, request for proposals, and related Contract Change documentation to evaluate project schedule and costs impacts and assist in Contractor Change Order reviews.
- 9) Monitor Project Team performance on a weekly basis. Consultant will periodically review Contractor's daily reports to ascertain that they are timely and reasonably accurate and complete. Consultant will report on any observed deficiencies in the quality of the Work, any apparent deviations from the Project Schedule or detailed construction schedules prepared by the Contractor; and any observed occurrences of Work that might result in a claim for a change in Contract Time or Contract Sum.
- 10) Review and make recommendations on requests for additional time and additional cost from Designer or Contractor.
- 11) Monitor Contractor's coordination with local property owners and tenants regarding temporary shut downs, jobsite staging, material deliveries, utility tie-ins, pedestrian and traffic flow disruptions, etc.
- 12) Monitor Contractor's interaction with Owner's staff, property owners, tenants, and the public.
- 13) Monitor and assist in the coordination of timely delivery and installation of Owner-furnished/Contractor-installed equipment.
- 14) Monitor coordination and installation of furnishings, signage, plant-scape, and artwork.
- 15) Monitor and manage a payment application process for the Designer and Contractor that includes submittal, review and approval protocols.
- 16) Review Contractor's submitted detailed Schedule of Values to be included as the basis of future payment applications.
- 17) Review applications and certifications for payment from Designer and Contractor. Consultant's recommended approval of an application for payment from the Contractor shall constitute a representation to Owner that, to the best of Consultant's knowledge, the Work has progressed to the point indicated and the quality of the Work is in substantial compliance with the Contract Documents.
- 18) Coordinate with Designer, and assist the Owner in reviewing the Project, or portions thereof, for substantial and final completion. Consultant is not responsible for determination of substantial and final completion of work.
- 19) Monitor submittal and receipt of operations and maintenance manuals, record documents, as-built drawings, warranties, guarantees, and other deliverables required by the Contract Documents.

20) Monitor the Designer's review of as-built or record drawings of Contractor.

Assumptions

- a) The presence or duties of Consultant's personnel at a construction site, whether as onsite representatives or otherwise, do not cause the Consultant or Consultant's personnel in any way to be responsible for those duties that belong to Owner and/or the construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the construction Contract Documents and any health or safety precautions required by such construction work.
- b) Consultant and Consultant's personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor(s) or other entity or any other persons at the site except Consultant's own personnel.
- c) Consultant neither guarantees the performance of the construction contractor(s) nor assumes responsibility for construction contractor's failure to perform work in accordance with the construction documents.
- d) Consultant will provide limited advice to Owner concerning a public outreach program. Planning, coordination, and implementation of same is not included in this scope of work.
- e) When requested in writing by Owner, Consultant shall make reasonable attempts to make available to Owner any personnel or consultants employed or retained by Consultant for the purpose of reviewing, studying, analyzing, or investigating any claims, contentions, allegations, or legal actions relating to, or arising out of, the design or construction of the Project. Such services, if necessary, shall be compensated as additional services.
- f) Consultant's fee is based on level of effort of staff proposed. Services proposed during the construction phase are based on continuous 40 hour work week, Monday through Friday, 8 continuous hours each day between hours of 7 am through 6 pm for durations stated herein for construction phase services.
- g) The fees described herein are based on "estimated time and expenses" to perform the services as described herein. The Consultant will perform the scope of services described herein to the extent and limited to the actual hours and expenses incurred where the total fee, based on the hours and expenses incurred, does not exceed the total Not to Exceed Fee.
- h) This scope and fee does not include direct coordination or oversight of other ongoing projects in proximity to the streetscapes project.
- i) The scope and fee is based on continuous duration for each phase as described herein and does not include delays due to design, re-design, bidding activities, construction, construction changes outside of the control of Consultant.

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This Agreement, effective this ___ day of March 2016, for a period of three (3) years, is between:

CLIENT: TWIN FALLS URBAN RENEWAL AGENCY, (“CLIENT”)

PO Box 1907 (83303)
321 2nd Avenue East
Twin Falls, Idaho 83301

and **CH2M HILL ENGINEERS, INC. , (“CH2M HILL”)**

322 East Front Street
Suite 200
Boise, Idaho 83702

for services to be performed on a Task Order basis with respect to the Twin Falls Downtown Streetscapes Project and other Miscellaneous Architectural, Engineering and Consulting services including owner’s representative and construction management services on projects as directed by CLIENT.

ARTICLE 1. SERVICES GENERALLY

CH2M HILL shall furnish such engineering and related services as CLIENT may request from time to time (“Services”). The particular project (“Project”), specific Services, work schedule, and cost or estimated cost will be mutually agreed and set forth in a Task Order issued by CLIENT under this Agreement. Each Task Order will specifically refer to and incorporate this Agreement by reference. The provisions of this Agreement and of Attachment A shall apply to Task Orders requiring construction.

ARTICLE 2. COMPENSATION

For performance of the Services, CLIENT will compensate CH2M HILL pursuant to the Compensation Schedule identified in Article 7, if any, and to the pertinent Task Order.

ARTICLE 3. TERMS OF PAYMENT

3.1 Invoices

CH2M HILL will submit invoices for each Task Order to CLIENT each month covering Services completed to date and, and as applicable, for materials and equipment delivered and stored on-site or off-site. Each invoice will be prepared in CH2M HILL’s standard form and supported by documentation according to CH2M HILL’s standard practice. Within 10 days of receipt of the invoice, CLIENT shall give detailed, written notice of any sums which it may reasonably dispute or contest. If the parties are unable to resolve the matter within 15 days, only that portion so reasonably contested may be withheld from payment.

3.2 Time of Payment

Invoices are due and payable within 30 days after receipt by CLIENT.

3.3 Not Used.

ARTICLE 4. OBLIGATIONS OF CH2M HILL

4.1 Independent Contractor; Subcontracts

4.1.1 CH2M HILL represents that it is an independent contractor and will perform services pursuant to each Task Order as an independent contractor and not as an agent or employee of CLIENT.

4.1.2 CH2M HILL may retain such other subconsultants or subcontractors as it may deem desirable for proper and timely performance of Services. CH2M HILL shall be responsible for the management of the subcontractors and subconsultants in the performance of their work.

4.2 Standard of Care

The standard of care applicable to CH2M HILL's engineering or related services will be the degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar Services at the time said services are performed. CH2M HILL will reperform any engineering or related services not meeting this standard without additional compensation.

4.3 Subsurface Investigations

In soils, foundation, groundwater, and other subsurface investigations, the actual characteristics may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that could affect total Task Order cost and/or execution. These conditions and cost/execution effects are not the responsibility of CH2M HILL.

4.4 CH2M HILL's Personnel at Construction Site

4.4.1 The presence or duties of CH2M HILL's personnel at a construction site, whether as onsite representatives or otherwise, do not make CH2M HILL or CH2M HILL's personnel in any way responsible for those duties that belong to CLIENT and/or the construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the construction contract documents and any health or safety precautions required by such construction work.

4.4.2 CH2M HILL and CH2M HILL's personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor(s) or other entity or any other persons at the site except CH2M HILL's own personnel.

4.4.3 The presence of CH2M HILL's personnel at a construction site is for the purpose of providing to CLIENT a greater degree of confidence that the completed construction work will conform generally to the construction documents and that the integrity of the design concept as reflected in the construction documents has been implemented and preserved by the construction contractor(s). CH2M HILL neither guarantees the performance of the construction contractor(s) nor assumes responsibility for construction contractor's failure to perform work in accordance with the construction documents.

4.5 Opinions of Cost, Financial Considerations, and Schedules

In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the Project, CH2M HILL has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by operating personnel or third parties; and other economic and operational factors that may materially affect the ultimate Project cost or schedule. Therefore, CH2M HILL makes no warranty that CLIENT's actual Project costs, financial aspects, economic feasibility, or schedules will not vary from CH2M HILL's opinions, analyses, projections, or estimates. If CLIENT wishes greater assurance as to any element of Project cost, feasibility, or schedule, CLIENT will employ an independent cost estimator, contractor, or other appropriate advisor.

4.6 Construction Progress Payments

Recommendations by CH2M HILL to CLIENT for periodic construction progress payments to the construction contractor(s) will be based on CH2M HILL's knowledge, information, and belief from selective sampling that the work has progressed to the point indicated. Such recommendations do not represent that continuous or detailed examinations have been made by CH2M HILL to ascertain that the construction contractor(s) have completed the work in exact accordance with the construction documents; that the final work will be acceptable in all respects; that CH2M HILL has made an examination to ascertain how or for what purpose the construction contractor(s) have used the moneys paid; that title to any of the work, materials, or equipment has passed to CLIENT free and clear of liens, claims, security interests, or encumbrances; or that there are not other matters at issue between CLIENT and the construction contractors that affect the amount that should be paid.

4.7 Record Drawings

Record drawings, if required, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the Project was

finally constructed. CH2M HILL is not responsible for any errors or omissions in the information from others that is incorporated into the record drawings.

4.8 Access to CH2M HILL's Accounting Records

CH2M HILL will maintain accounting records, in accordance with generally accepted accounting principles. Records relating to a Task Order will be available to CLIENT during CH2M HILL's normal business hours for a period of 1 year after CH2M HILL's final invoice pursuant to that Task Order for examination to the extent required to verify the direct costs (excluding established or standard allowances and rates) incurred hereunder. Only audit cost-reimbursable items will be subject to audit.

4.9 CH2M HILL's Insurance

4.9.1 CH2M HILL will maintain throughout this Agreement the following insurance:

- (a) Worker's compensation employer's liability insurance as required by the state where the work is performed and Employer's Liability with a limit of \$1,000,000.
- (b) Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including onsite and offsite operations, and owned, nonowned, or hired vehicles, with \$1,000,000 combined single limits.
- (c) Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered negligent act or omission of CH2M HILL or of any of its employees, agents, or subcontractors, with \$1,000,000 per occurrence and in the aggregate.
- (d) When furnishing engineering or engineering related services, professional liability insurance of \$1,000,000 per claim and in the aggregate.

4.9.2 CLIENT will be named as an additional insured with respect to CH2M HILL's liabilities hereunder in insurance coverages identified in items (b), (c) and (e) and CH2M HILL waives subrogation against CLIENT as to said policies. All insurance certificates will provide that the insurance carrier will give CLIENT 30 days' notice of cancellation of the policies.

ARTICLE 5. OBLIGATIONS OF CLIENT

5.1 Client-Furnished Data

CLIENT will provide to CH2M HILL all data in CLIENT's possession relating to CH2M HILL's Services. CH2M HILL will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by CLIENT.

5.2 Access to Facilities and Property

CLIENT will make its facilities accessible to CH2M HILL as required for CH2M HILL's performance of its services and will provide labor and safety equipment as required by CH2M HILL for such access. CLIENT will perform, at no cost to CH2M HILL, such tests of equipment, machinery, pipelines, and other components of CLIENT's facilities as may be required in connection with CH2M HILL's services.

5.3 Advertisements, Permits, and Access

Unless otherwise agreed to in the Task Order, CLIENT will obtain, arrange, and pay for all advertisements for bids; permits and licenses required by local, state, or federal authorities; and land, easements, rights-of-way, and access necessary for CH2M HILL's services or Project construction.

5.4 Timely Review

CLIENT will examine CH2M HILL's studies, reports, sketches, drawings, specifications, proposals, and other documents; obtain advice of an attorney, insurance counselor, accountant, auditor, bond and financial advisors, and other consultants as CLIENT deems appropriate; and render in writing decisions required by CLIENT in a timely manner.

5.5 Prompt Notice

CLIENT will give prompt written notice to CH2M HILL whenever CLIENT observes or becomes aware of any development that affects the scope or timing of CH2M HILL's Services, or of any defect in the work of CH2M HILL or construction contractors.

5.6 Asbestos or Hazardous Substances

5.6.1 If asbestos or hazardous substances in any form are encountered or suspected, CH2M HILL will stop its own work in the affected portions of the Project to permit testing and evaluation.

5.6.2 If asbestos is suspected, CH2M HILL will, if requested, manage the asbestos remediation activities using a qualified subcontractor at an additional fee and contract terms to be negotiated.

5.6.3 If hazardous substances other than asbestos are suspected, CH2M HILL will, if requested, conduct tests to determine the extent of the problem and will perform the necessary studies and recommend the necessary remedial measures at an additional fee and contract terms to be negotiated.

5.6.4 Client recognizes that CH2M HILL assumes no risk and/or liability for a waste or hazardous waste site originated by other than CH2M HILL.

5.7 Contractor Indemnification and Claims

5.7.1 CLIENT agrees to include the following in all construction contracts with contractors not affiliated with CH2M HILL:

- (a) the provisions of Article 4.4, CH2M HILL's Personnel at Construction Site,;
- (b) the provisions of Article 5.7.3 regarding direct actions against CH2M HILL;
- (c) and provisions providing contractor indemnification of CLIENT and CH2M HILL for contractor's negligence.

5.7.2 CLIENT shall require construction contractor(s) to name CLIENT and CH2M HILL as additional insureds on the contractor's general liability insurance policy.

5.7.3 CLIENT agrees to include the following clause in all contracts with equipment or materials suppliers:

Contractors, subcontractors, and equipment and material suppliers on the Project, or their sureties, shall maintain no direct action against CH2M HILL, CH2M HILL's officers, employees, affiliated corporations, and subcontractors for any claim arising out of, in connection with, or resulting from the CH2M HILL services performed. CLIENT will be the only beneficiary of any undertaking by CH2M HILL."

5.8 Not Used

5.9 Litigation Assistance

Article 1, Services Generally, does not include costs of CH2M HILL for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by CLIENT. All such Services required or requested of CH2M HILL by CLIENT, except for suits or claims between the parties to this Agreement, will be reimbursed as mutually agreed.

5.10 Changes

CLIENT may make or approve changes within the scope of Services under a Task Order. If such changes affect CH2M HILL's cost of or time for performance of the Services, an equitable adjustment will be made through an amendment to the affected Task Order.

ARTICLE 6. GENERAL LEGAL PROVISIONS

6.1 Authorization to Proceed

Execution of the Task Order by CLIENT will be authorization for CH2M HILL to proceed with the Services, unless otherwise provided in the Task Order.

6.2 Reuse of Project Documents

All reports, drawings, specifications, documents, and other deliverables of CH2M HILL, whether in hard copy or in electronic form, are instruments of service for the pertinent Task Order, whether the Task Order is completed or not. CLIENT agrees to indemnify CH2M HILL and CH2M HILL's officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees arising out of or related to the unauthorized reuse, change or alteration of these Task Order documents.

6.3 Delay

In the event CH2M HILL is delayed in performance of Services by any act or neglect of CLIENT or anyone for whom CLIENT is responsible or by Acts of God, strikes, lockouts, accidents, or other events beyond the control of CH2M HILL, then CH2M HILL's compensation and the work schedule for the affected Task Order shall be equitably adjusted. In the event delays to the Task Order work is encountered for any reason, the parties agree to undertake reasonable steps to mitigate the effect of such delays.

6.4 Limitations of Liability

6.4.1 To the maximum extent permitted by law, CH2M HILL's liability for CLIENT's damages under any Task Order will not, in the aggregate, exceed the Task Order value, whether such liability arises out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action.

6.4.2 To the maximum extent permitted by law, CH2M HILL and CH2M HILL's affiliated corporations, officers, employees, and subcontractors shall not be liable for CLIENT's special, indirect, or consequential

damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect CH2M HILL against indirect liability or third-party proceedings, CLIENT will indemnify CH2M HILL for any such damages.

6.4.3 This article takes precedence over any conflicting article of this Agreement or any document incorporated into it or referenced by it.

6.5 Termination

6.5.1 This Agreement may be terminated for convenience on 30 calendar days' written notice, or for cause if either party fails substantially to perform through no fault of the other and does not commence correction of such nonperformance within 5 calendar days of written notice and diligently complete the correction thereafter.

6.5.2 On termination, CH2M HILL will be paid for all authorized Services performed up to the termination date plus termination expenses, such as, but not limited to, reassignment of personnel, subcontract termination costs, and related closeout costs.

6.6 Suspension, Delay, or Interruption of Work

CLIENT may suspend, delay, or interrupt the Services of CH2M HILL under a Task Order for the convenience of CLIENT. In such event, CH2M HILL's compensation and the work schedule for the affected Task Order shall be equitably adjusted.

6.7 No Third-Party Beneficiaries

This Agreement gives no rights or benefits to anyone other than CLIENT and CH2M HILL and has no third-party beneficiaries.

6.8 Indemnification

6.8.1 CH2M HILL agrees to indemnify CLIENT for any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of CH2M HILL, CH2M HILL's employees, affiliated corporations, and subcontractors in connection with Services performed under Task Order issued hereunder.

6.8.2 Client agrees to indemnify CH2M HILL from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of CLIENT, or its employees or contractors in connection with Task Orders issued hereunder.

6.9 Assignment

6.9.1 Not Used.

6.9.2 Except as provided in Paragraph 6.9.1, this Agreement and Task Orders issued pursuant to it are bilateral personal services agreements. Neither party shall have the power to or will assign any of the duties or rights or any claim arising out of or related to this Agreement or Task Order issued pursuant to it, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire Agreement are binding on the heirs, successors, and assigns of the parties hereto.

6.10 Waiver

CLIENT waives all claims against CH2M HILL, including those for latent defects, that are not brought within 2 years of substantial completion of the facility designed or final payment to CH2M HILL, whichever is earlier.

6.11 Jurisdiction

The substantive law of the state of the Task Order Services shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it.

6.12 Severability and Survival

If any of the provisions of this Agreement are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability, indemnities, and other express representations shall survive termination of this Agreement for any cause.

6.13 Materials and Samples

Any items, substances, materials, or samples removed from the Project site for testing, analysis, or other evaluation will be returned to the Project site within 60 calendar days of Task Order close-out unless agreed to otherwise. CLIENT recognizes and agrees that CH2M HILL is acting as a bailee and at no time assumes title to said items, substances, materials, or samples.

6.14 CH2M HILL's Deliverables

CH2M HILL's deliverables, including record drawings, are limited to the sealed and signed hard copies. Computer-generated drawing files furnished by CH2M HILL are for CLIENT or others' convenience. Any conclusions or information derived or obtained from these files will be at user's sole risk.

6.15 Dispute Resolution

The parties will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

ARTICLE 7. ATTACHMENTS, SCHEDULES, AND SIGNATURES

This Agreement, including its attachments and schedules, constitutes the entire Agreement, supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. Attachments and schedules on the date of contracting:

Attachment A	Task Order Form
Attachment B	Compensation Schedule

IN WITNESS WHEREOF, the parties execute below:

For CLIENT:

By: _____
Name Name

For CH2M HILL ENGINEERS, INC.:

By: _____
Name Title

ATTACHMENT A

TASK ORDER NO. _____

This Task Order is issued pursuant to the Standard Master Agreement for Professional Services dated:

	, which is incorporated herein by this reference, with respect to	
		("Project").

Specific Services:

Compensation Provisions:

Work Schedule:

The Authorized Representatives designated below are authorized to act with respect to the Task Order. Communications between the parties shall be between parties and their consultants or subcontractors shall be through the Authorized Representatives:	
For the Client:	For CH2M HILL
Name:	Name:
Address:	Address:
Telephone:	Telephone:

This Task Order No. _____ is effective this (date) _____	
Accepted for CH2M HILL ENGINEERS, INC. by:	Accepted for Client by:
Name	Name
Title	Title

ATTACHMENT B - COMPENSATION

ARTICLE 2. COMPENSATION

Compensation by CLIENT to CH2M HILL will be as follows:

A. COST REIMBURSABLE-PER DIEM (TIME AND EXPENSE)

For services enumerated in each Task Order, all project labor will be invoiced in accordance with the attached CH2M HILL Per Diem Rate Schedule (Attachment B-1), plus Direct Expenses, plus a service charge of 5% percent of Direct Expenses and 5% percent of subcontracts and outside services, plus applicable sales, use, value added, business transfer, gross receipts, or other similar taxes.

B. BUDGET

A budgetary amount of will be established in each authorized Task Order.

CH2M HILL will make reasonable efforts to complete the work within the budget and will keep CLIENT informed of progress toward that end so that the budget or work effort can be adjusted if found necessary.

CH2M HILL is not obligated to incur costs beyond the indicated budgets, as may be adjusted, nor is CLIENT obligated to pay CH2M HILL beyond these limits.

When any budget has been increased, CH2M HILL's excess costs expended prior to such increase will be allowable to the same extent as if such costs had been incurred after the approved increase.

C. PER DIEM RATES

Per Diem Rates are those hourly rates charged for work performed on the Project by CH2M HILL's employees of the indicated classifications. These rates are subject to annual calendar year adjustments; include all allowances for salary, overheads and fees; but do not include allowances for Direct Expenses, subcontracts and outside services.

D. DIRECT EXPENSES

Direct Expenses are those necessary costs and charges incurred for the PROJECT including, but not limited to: (1) the direct costs of transportation, meals and lodging, special CLIENT approved PROJECT specific insurance, field office rental and expenses and equipment and supplies; (2) CH2M HILL's current standard rate charges for direct use of CH2M HILL's vehicles, laboratory test and analysis, and certain field equipment; and (3) CH2M HILL's standard project charges for special health and safety requirements of OSHA.

TASK ORDER NO. 1

This Task Order is issued pursuant to the Standard Master Agreement for Professional Services dated:

March , 2016	, which is incorporated herein by this reference, with respect to
the project management and oversight support services for the Twin Falls Downtown Streetscapes Project as further defined herein	("Project").

Specific Services: Refer to attached Scope of Services dated March 18, 2016 as Attachment No. 1

Compensation Provisions:

Compensation will be on a Time-and-Expense basis for staff working on the project based on the current compensation schedule (Attachment B) attached to the MSA. A budgetary amount for the Phase I services, tasks IA through ID, is \$358,000, excluding taxes, is hereby established for services and will not be exceeded without CLIENT authorization.

Work Schedule:

Phase I will be completed within 15 months following the effective date of this Task Order.

The Authorized Representatives designated below are authorized to act with respect to the Task Order. Communications between the parties shall be between parties and their consultants or subcontractors shall be through the Authorized Representatives:	
For the CLIENT:	For CH2M HILL
Name:	Name:
Address:	Address:
Telephone:	Telephone

This Task Order No. 1 is effective March , 2016	
Accepted for CH2M HILL ENGINEERS, INC. by:	Accepted for CLIENT by:
Name	Name
Title	Title

Attachment B-1
Twin Falls Urban Renewal Agency
Master Services Agreement
Compensation Schedule

Hourly Billing Rates

<u>Classification</u>	<u>Rate</u>		
	<u>2016</u>	<u>2017</u>	<u>2018</u>
Project Executive	\$252.30	\$262.39	\$272.89
Senior Project Manager	\$232.00	\$241.28	\$250.93
Local Project Engineer	\$145.00	\$150.80	\$156.83
Senior Engineer	\$217.50	\$226.20	\$235.25
Engineering/Technical Support	\$116.00	\$120.64	\$125.47
Resident Engineer/Senior Inspector	\$151.25	\$157.30	\$163.59
Project Controls Manager	\$159.50	\$165.88	\$172.52
Contract Administrator	\$214.60	\$223.18	\$232.11
Estimator/Constructability Reviewer	\$159.50	\$165.88	\$172.52
Project Engineer/Scheduler	\$159.50	\$165.88	\$172.52
Administrative Support	\$101.50	\$105.56	\$109.78
IT Specialist, Graphic Design	\$101.50	\$105.56	\$109.78

Notes:

1. Direct Expenses are those necessary costs and charges incurred for the PROJECT including, but limited to: (1) the direct costs of transportation, meals and lodging, mail, subcontracts, and outside services: special client-approved PROJECT-specific insurance, letters of credit, bonds, and equipment and supplies; (2) Consultant's charges for direct use of Consultants vehicles, laboratory test and analysis, printing and reproduction services, and certain field equipment, and (3) Consultants project charges for special health and safety requirements of Occupational Safety and Health Administration (OSHA) services.
2. Consultant's rates for the following direct expenses shall be: Health and Safety charge of \$1.10 will be applied to all labor hours of employees who are currently enrolled in the CH2M HILL Comprehensive Health & Safety Program. These rates are subject to change for work performed in following years.
3. A markup of 5% will be applied to all other Direct Costs and Expenses.
4. 2016 Rates are effective as of March 2018. 2017 and 2018 rates have been escalated 4% for work performed in subsequent years.



Date: March 14, 2016

To: Urban Renewal Agency of the City of Twin Falls

From: Phil Kushlan, Interim Executive Director

Request:

Provide an opportunity for public comment and consider approving the 2015 Annual Report of the Urban Renewal Agency of Twin Falls, Idaho.

Background:

Title 50, Chapter 2006(c) requires that Urban Renewal Agencies operating in Idaho prepare an annual report by March 31st of each year regarding its activities and finances for the preceding calendar year. Once approved by the Board of Commissioners, it will be transmitted to the City Council for their information.

Approval Process:

The Board of Commissioners must consider the Annual Report in a public meeting and provide opportunity for public comment. Once the public comment opportunity has been provided, the Board should consider the attached resolution which transmits to Annual Report to the City Council.

Once forwarded to the City Council, a legal notice must be published in the Times - News to the effect that the required report has been filed with the City of Twin Falls and that it is available for inspection at the office of the City Clerk.

Budget Impact:

There will be a small amount of cost for in-house printing of the report and postage to distribute it to those to whom we seek to communicate. Additionally, there will be a cost for the legal publication of the required notice.

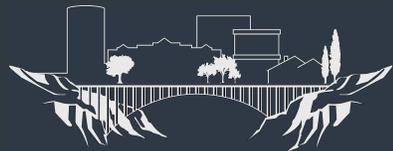
Conclusion:

Conclusion of this process will have the Agency in compliance with the statutory requirement for reporting.

Attachments:

2015 Annual Report of the Urban Renewal Agency of Twin Falls, Idaho

Resolution #2016-1 accepting the Annual Report, forwarding it to the City of Twin Falls, and publishing the Notice of Filing.



THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

2015 ANNUAL REPORT



Board of Commissioners

January - June 2015

Leon Smith | **Chair**

Dan Brizee | **Vice Chair**

Dexter Ball | **Secretary**

Neil Christensen

Perri Gardner

Bob Richards

Sarah Taylor

July - December 2015

Dan Brizee | **Chair**

Dexter Bell | **Vice Chair**

Neil Christensen | **Secretary**

Perri Gardner

Gary Garnand

Bob Richards

Brad Wills

Staff

Melinda Anderson | **Executive Director**

This Annual Report is prepared pursuant to Title 50, Chapter 2006 (c) Idaho Code:

An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, on or before March 31 of each year a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such calendar year. The agency shall be required to hold a public meeting to report these findings and take comments from the public. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and that the report is available for inspection during business hours in the office of the city clerk or county recorder and in the office of the agency.

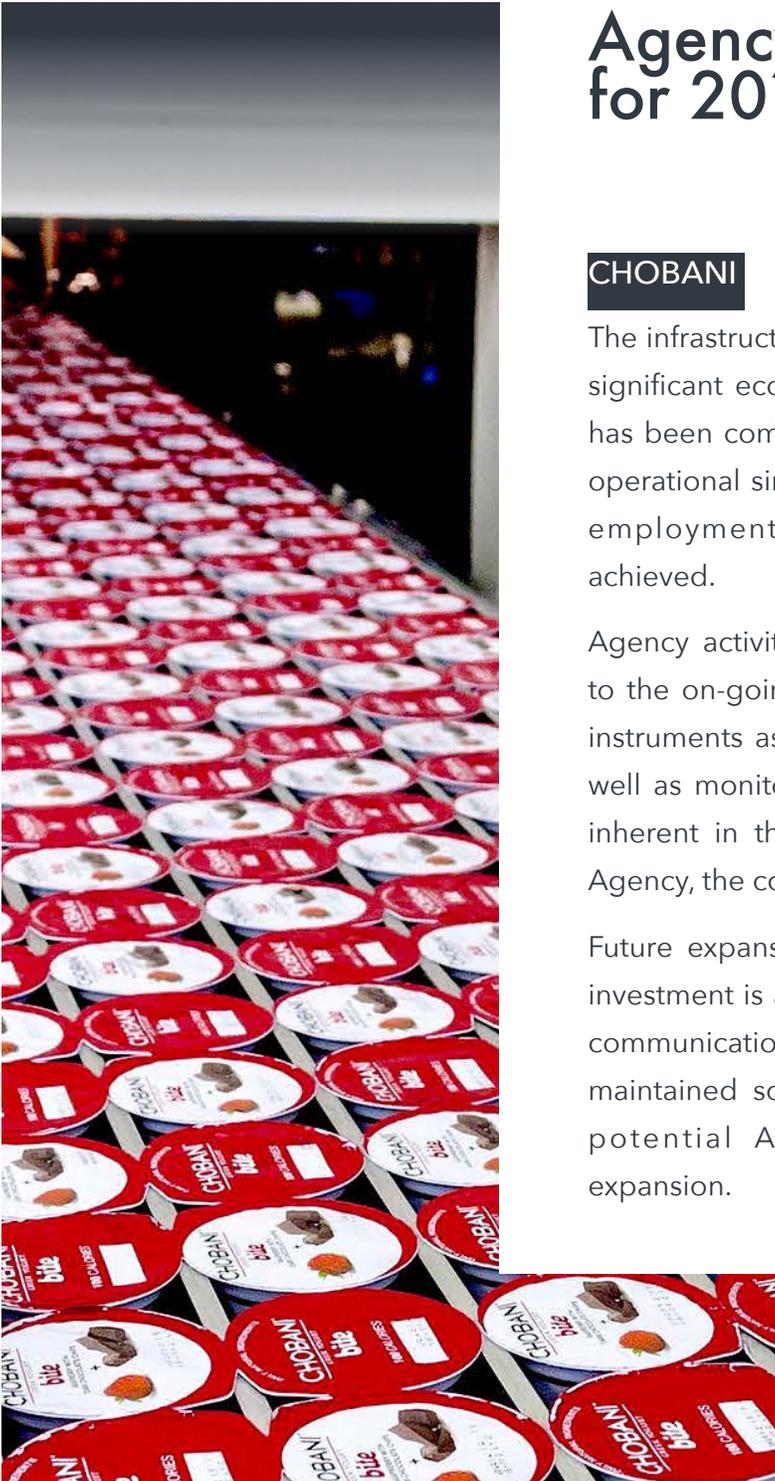
Agency activities for 2015 *

CHOBANI

The infrastructure work associated with this significant economic development project has been completed. The plant has been operational since December 2012 and the employment projections have been achieved.

Agency activity will continue with respect to the on-going management of the debt instruments associated with the project as well as monitoring the mutual obligations inherent in the agreements between the Agency, the company, and Zion's Bank.

Future expansion of the company's initial investment is anticipated over time. Close communication among the parties will be maintained so as to recognize early, any potential Agency support in such expansion.



CLIF BAR

Clif Bar commenced construction on their Twin Falls facility in April 2015. Substantial completion is anticipated for Spring 2016 with operations starting immediately thereafter.

Agency activities in support of the Clif Bar project during 2015 included:

Based upon the recommendation of the TFURA Board of Commissioners, the Twin Falls City Council established Revenue Allocation Area 4-4 (RAA 4-4) creating a revenue stream to support the financial obligations associated with this project.

Subsequently, judicial confirmation was sought and received authorizing debt not to exceed \$22 million to support project obligations. Infrastructure investments to date have been funded by draws against a letter of credit from Clif Bar to be repaid by the Revenue Allocation produced by the project. Thus far, Clif Bar has indicated that they would maintain the note, being repaid over time instead of seeking early repayment. This negates the potential for arranging for "take-out" financing when construction is completed and property taxes are realized.

Hankins Road South was reconstructed between Kimberly Road and Eldridge

Avenue with a three-lane facility to full City of Twin Falls standards.

The Eldridge Avenue sewer was extended to serve the Clif Bar facility and a Pre-treatment Facility was constructed to deal with the high-strength loads before they are discharged into the City's sewer system.

The railroad crossing at 3300 Road South was improved to a fully upgraded crossing, providing maximum protection for traffic in that area.



Gary Erickson, co-founder of CLIF Bar & Co. and Gov. C.L. "Butch" Otter during ground-breaking event



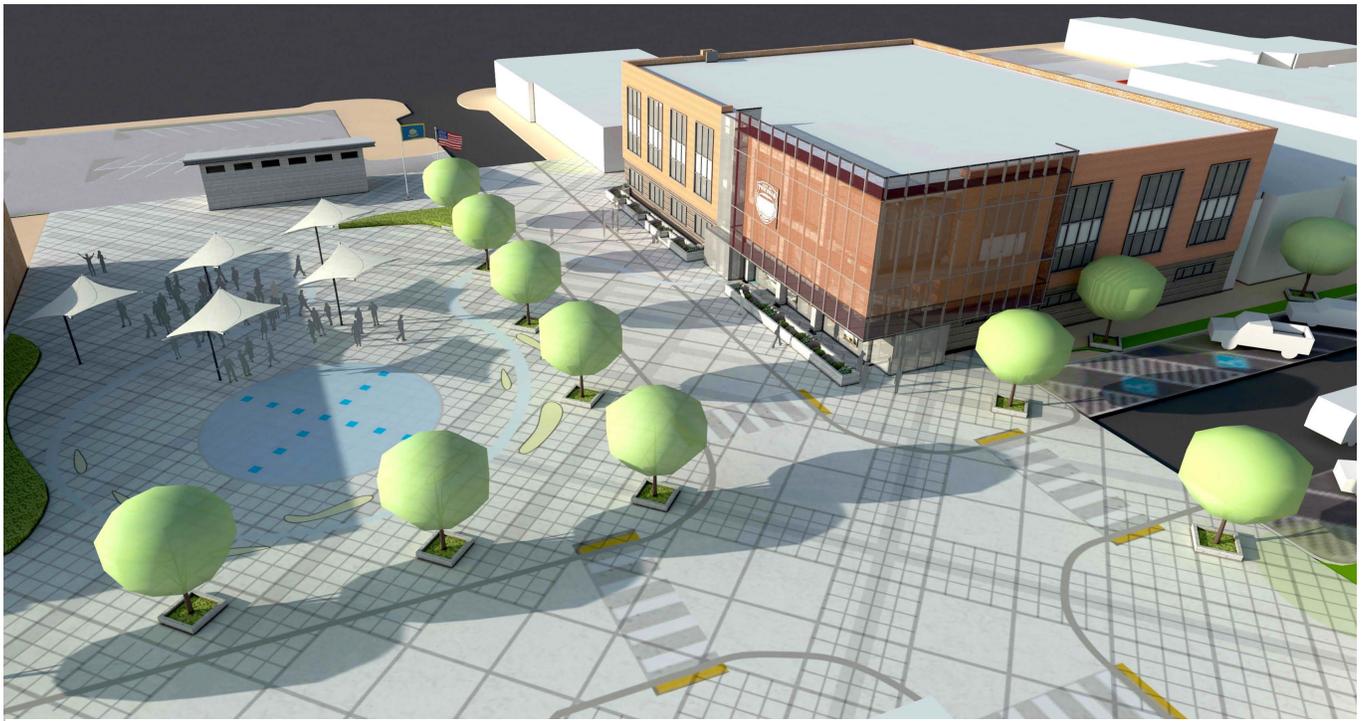
MAIN AVENUE

Main Avenue was the subject of significant investment funded by federal grants in the 1970s. Over time, the infrastructure investments made have aged and the demands of a modern retail environment have changed. This has prompted the TFURA and the City of Twin Falls to undertake a significant reinvestment effort in this important area of the community. Working with OTAK, the urban design firm from Redmond, Washington, substantial progress has been made in defining a new vision for downtown Twin Falls.

The designs are based upon the desire to establish a pedestrian friendly area with high standards for amenities that will encourage people to come to the area for shopping, commerce and socialization. TFURA has worked closely with property and business owners and through various committees in creating an exciting design that balances various interests in the area.

The Agency in refining the design in anticipation of early project initiation and is considering various options for staging the construction to minimize the inevitable disruption to area businesses. Various financing options are being explored to ensure the most efficient and least disruptive construction schedule. Construction is anticipated to commence in 2016.

A Downtown Arts Subcommittee was established by the TFURA Board of Commissioners to advise them on various aesthetic aspects of the Main Avenue Project. That group continues to work, providing their valuable perspective to the Commission.



City Hall Project Coordination *

A separate, but related project, is the relocation of City Hall to Main Avenue. In a much-appreciated expression of commitment to the revitalization of Downtown Twin Falls, the City chose to invest in the rehabilitation of the long-abandoned Banner Furniture Building located at Hansen Street and Main Avenue. The building will be repurposed as the seat of municipal government bringing the employee and customer base to Main Avenue.



Property Management *

Over the years, the Agency has acquired several parcels of property within its jurisdiction to support their redevelopment mission. Some, such as the C3 property located on Pole Line Road, have been held in support of the City's economic development mission. Some await the appropriate time for leveraging their value into redevelopment. Care is taken to ensure that all costs associated with holding these properties are paid for through rental income streams negating the need to rely on property tax resources to maintain these properties.

Two opportunities to redeploy properties came to fruition in 2015. Those are the Rogerson Building and the property located at 135 5th Avenue South.

Cont'd...





Rogerson Building

The Rogerson Building is a historic hotel located on Main Avenue at Hansen Street immediately across the street from the new City Hall site mentioned above. The building had been damaged by fire during its long life and several renovations eroded the historic character of the building. The Commission determined that the location at

a primary intersection in the Downtown Area and its proximity to the new City Hall location warranted consideration of the site to become the major public gathering space in Downtown Twin Falls. This will require the removal of the building with the property becoming the site of the newly created festival space. The City's contractors will be responsible for demolition of the structure and securing the site in conjunction with selective demolition work associated with the renovation of the future City Hall building.



135 5th Ave. South

This property, located in the Old Town area, is being sold through the required competitive process to a firm that plans to construct a modern climbing facility. This will provide needed private investment in this area, but more importantly it will provide a venue drawing people to the area for recreational purposes thus enhancing the vitality of the entire area. Construction of the facility is expected to commence in early 2016.

C3 Call Center

The building housing the C3 Call Center located at 841 Pole Line Road is owned by the TFURA. The property was initially purchased to house a different economic development use but transitioned to the current use after the prior tenant was unable to continue use of the property.

C3 uses the building under a 5-year lease (+ extension). As a private use, they are subject to paying property taxes as a part of their lease. As with any owner of rental property, the Agency is responsible for maintaining the

property. In line with that obligation, the Agency made significant investments in the property in 2015 thereby ensuring the long-term integrity of the property and the public's investment in it. The HVAC system was upgraded to reflect the requirements associated with its current use and the parking lot was seal coated to ensure its structural integrity. Again, these investments were made using funds reserved from the on-going lease payment stream associated with the Agency's property management function.



Financial Statements *

Statement of Net Position As of September 30, 2014 and 2015

	2014	2015	Percentage Change 2014-2015
Current & Other Assets	\$ 12,080,235	\$ 18,748,589	55.2%
Capital Assets	12,559,496	24,138,051	92.2%
Total Assets	24,639,731	42,886,640	74.1%
Long-term Debt Outstanding	36,230,096	34,168,139	(5.7%)
Other Liabilities	5,839,483	22,634,581	287.6%
Total Liabilities	42,069,579	56,802,720	35.0%
Net Investment in Capital Assets	8,007,453	10,021,597	25.2%
Restricted and Unrestricted	(25,437,301)	(23,937,677)	(5.9%)
Total Net Position	\$ (17,429,848)	\$ (13,916,080)	(20.2%)

The Statement of Net Position reports on the assets and liabilities of the Agency. Notable changes in Net Position value are typically the result of large debt service payments; the timing of large public improvement projects; or the purchase, sale, or contribution of capital assets. This year most of the dynamic changes seen can be attributed to activity going on with Clif Bar and the construction of their new manufacturing plant that the Agency is partnering with. The Agency's share of the construction is being funded with advances provided by Clif Bar and resulted in an increase in total liabilities of \$13,400,000. The Agency inventories project costs and then reflects the contribution of its share of project costs as an investment in the community's development the year completed. This year construction in progress increased by \$12,100,000, again, because of the activity of Clif Bar projects. Another \$4,000,000 of funding was in the process of coming from Clif Bar and included in Current & Other Assets.

Statement of Activities

For Years Ended September 30, 2014 and 2015

	2014	2015	Percentage Change 2014-2015
Charges for Services - Rent	\$ 428,325	\$ 435,162	1.6%
Property Tax Increment	7,421,518	8,357,193	12.6%
Capital Contributions	2,750,000		
Loss on Sale of Assets	(67,106)		
Investment Earnings	2,893	12,246	323.3%
Total Revenue	10,535,630	8,804,601	(16.4%)
General Government	151,123	250,814	66.0%
Rental Property Expenses	316,328	302,568	(4.3%)
Community Development	29,453,846	2,770,820	(90.6%)
Interest on Long-Term Debt	2,487,498	1,966,631	(20.9%)
Total Expenses	32,408,795	5,290,833	(83.7%)
Increase (Decrease) in Net Assets	(21,873,165)	3,513,768	
Net Position - Beginning	4,443,317	(17,429,848)	
Net Position - Ending	\$ (17,429,848)	\$ (13,916,080)	(20.2%)

Statement of Activities *

REVENUES

Property tax increment increased by 12.6%. \$770,000 of that increase is attributed to an increase in property tax increment paid by Chobani, mainly as result of placing additional manufacturing equipment into production. In 2014 The City followed through with its commitment to a one time contribution of \$2,750,000 toward the Agency's costs to construct a wastewater pretreatment facility for Chobani.

EXPENSES

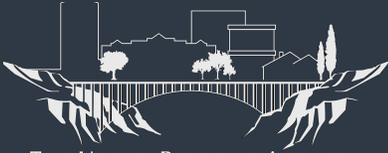
In 2014 the projects for Chobani were completed and the Agency recognized the cumulative costs as an investment in the development of the community. In 2015 the Agency was highly involved assisting with the infrastructure needs of another manufacturing facility relocating to Twin Falls, Clif Bar. In 2015 that activity was inventoried as construction in progress.

In 2015 the Agency, City of Twin Falls, and Chobani amended their development agreement with regard to the pretreatment facility that Chobani needed for the processing of its wastewater. The \$2,750,000 that the City had originally contributed the previous year was returned in exchange for some concessions in the wastewater treatment rates that Chobani was charged. Now Chobani will be charged the same rate as all other industrial users in the community. The return of that earlier contribution is reflected a Community Development expense in 2015.

During 2015 the Agency refinanced its existing long-term debt to take advantage of lower interest rates in the market. A portion of those savings are being reflect as in the 21% reduction in interest costs.



In 2015 the Agency was highly involved assisting with the infrastructure needs of another manufacturing facility relocating to Twin Falls, Clif Bar.



THE URBAN RENEWAL AGENCY
OF THE CITY OF TWIN FALLS

ECONOMICDEVELOPMENT@TFID.ORG | 208.735.7240



TWIN FALLS URBAN RENEWAL AGENCY | 2016

RESOLUTION NO. 2016-1

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF TWIN FALLS, IDAHO, AUTHORIZING THE FILING OF ITS ANNUAL REPORT OF ACTIVITIES WITH THE CITY OF TWIN FALLS.

WHEREAS, Idaho Code 50-2006(c) requires every urban renewal agency exercising powers under the Urban Renewal Law to file with the local governing body a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such calendar year; and,

WHEREAS, Idaho Code 50-2006(c) requires every urban renewal agency to hold a public meeting to report these findings and take comments from the public; and,

WHEREAS, Idaho Code 50-2006(c) requires every urban renewal agency, at the time of filing the report, to publish in a newspaper of general circulation in the community a notice that the report has been filed with the municipality and that the report is available for inspection during business hours in the office of the agency.

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

Section 1: That the 2015 Annual Report of the Urban Renewal Agency of the City of Twin Falls shall be filed with the City of Twin Falls.

Section 2: That the following “Notice of Filing the Annual Report of the Urban Renewal Agency of the City of Twin Falls” shall be published in the Times News:

“Notice of Filing of the 2015 Annual Report
Of the Urban Renewal Agency of the City of Twin Falls, Idaho

The Urban Renewal Agency of the City of Twin Falls, Idaho, has filed its 2015 Annual Report with the City of Twin Falls. The Report is available for inspection during business hours in the office of the Urban Renewal Agency, in City Hall, at 321 2nd Avenue East, Twin Falls, Idaho.”

PASSED BY THE URBAN RENEWAL AGENCY
SIGNED BY THE CHAIRMAN

March 23, 2016.
March 23, 2016.

Chairman



Date: March 23, 2016

To: Urban Renewal Agency of the City of Twin Falls

From: Travis Rothweiler, City Manager

Request:

Consideration of a request to accept and approve the guaranteed maximum price (GMP) for the demolition of the Rogerson building and downtown fountain area.

Background:

In November 2015, the TFURA entered into a memorandum of understanding (MOU) with the City of Twin Falls allowing the City to manage the URA Rogerson/Hansen/Fountain Demolition Project through the statutory CM/GC process, in association with the Banner Partial Demolition Project. Per the terms of the MOI, the URA is responsible to cover their actual costs and the City is responsible to coordinate the work. Starr Construction will serve as the Construction Manager/General Contractor (CMGC) and will manage the demolition projects. Combining the demolition projects would result in the least impact to neighboring businesses and lower the overall cost of demolition through efficiency of one operation rather than multiple ones.

As the CMGC, Starr Construction has presented the guaranteed maximum price (GMP) for the demolition of the complete demolition of the Rogerson building and existing downtown fountain. The project was bid in accordance with the public bidding rules and regulations described in the Idaho Code pertaining to CM/GC process.

Approval Process:

Approval by a majority of the board in open meeting.

Budget Impact:

The total estimated cost of the GMP for this phase of the project is \$758,662, and includes:

- \$200,000 for the Banner Building partial demolition (City)
- \$484,218 for the Rogerson Building Demolition (URA)
- \$ 74,444 for the Fountain Demolition (URA)

The URA's portion (\$558,662) is being paid with funds dedicated to the Downtown Renaissance project.

Conclusion:

Staff recommends approval of the GMP. The GMP has been reviewed by Hummel Architects.

Attachments:

GMP for the project.

WORKING DRAFT

City of Twin Falls/URA-GMP

March 11, 2016

Phase A-Banner Building

General Conditions	\$	18,980.00
Costs to Date-Starr Corporation Select Demolition	\$	2,590.00
Bid Package No. 1A-Demolition	\$	72,000.00
Bid Package No. 1B-Abatement	\$	79,500.00
CMGC Fee	\$	6,058.00
Allowances	\$	4,500.00
Contingency	\$	15,000.00
Payment and Performance Bond	\$	2,185.00
Total	\$	200,813.00

General Conditions

Description	Quantity	Unit		
Project Manager	90	HRS	\$	5,304.00
Project Superintendent	160	HRS	\$	7,176.00
Telephone			\$	110.00
Vehicles	120	Miles	\$	70.00
Temporary Toilets			\$	220.00
Traffic Control	1	LS	\$	600.00
Barricades/Fencing			\$	5,500.00

Allowances

Description	Quantity	Unit		
Disconnection of Utilities-Electrical			\$	4,500.00

Phase B-Rogerson

Costs to Date-Starr Corporation Select Demolition	\$	4,072.00
General Conditions	\$	15,980.00
Bid Package No. 2	\$	382,700.00
CMGC Fee	\$	14,097.00
Allowances	\$	42,100.00
Contingency	\$	20,000.00
Payment and Performance Bond	\$	5,269.00
Total	\$	484,218.00

General Conditions

Description	Quantity	Unit		
Project Manager	90	HRS	\$	5,304.00
Project Superintendent	160	HRS	\$	7,176.00
Telephone			\$	110.00
Vehicles	120	Miles	\$	70.00
Temporary Toilets			\$	220.00
Traffic Control	1	LS	\$	600.00
Barricades/Fencing			\$	2,500.00

Allowances

Description	Quantity	Unit		
Disconnection of Utilities-Electrical			\$	6,500.00
Structural Upgrade to Neighboring Building			\$	23,000.00
Installation of BMPs			\$	1,100.00
Compaction Testing			\$	11,500.00

Phase C-Fountain and Site Demolition

General Conditions			\$	10,260.00
Bid Package No. 3			\$	41,270.00
CMGC Fee			\$	1,804.00
Allowances			\$	15,300.00
Contingency			\$	5,000.00
Payment and Performance Bond			\$	810.00
Total			\$	74,444.00

General Conditions

Description	Quantity	Unit		
Project Manager	30	HRS	\$	1,770.00
Project Superintendent	80	HRS	\$	3,590.00
Telephone			\$	55.00
Vehicles	60	Miles	\$	35.00
Temporary Toilets			\$	110.00
Traffic Control	1	LS	\$	600.00
Barricades/Fencing			\$	4,100.00

Allowances

Description	Quantity	Unit		
Disconnection of Utilities-Electrical			\$	3,500.00
Reroute Irrigation lines			\$	8,000.00
Compaction Testing			\$	3,800.00