

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.

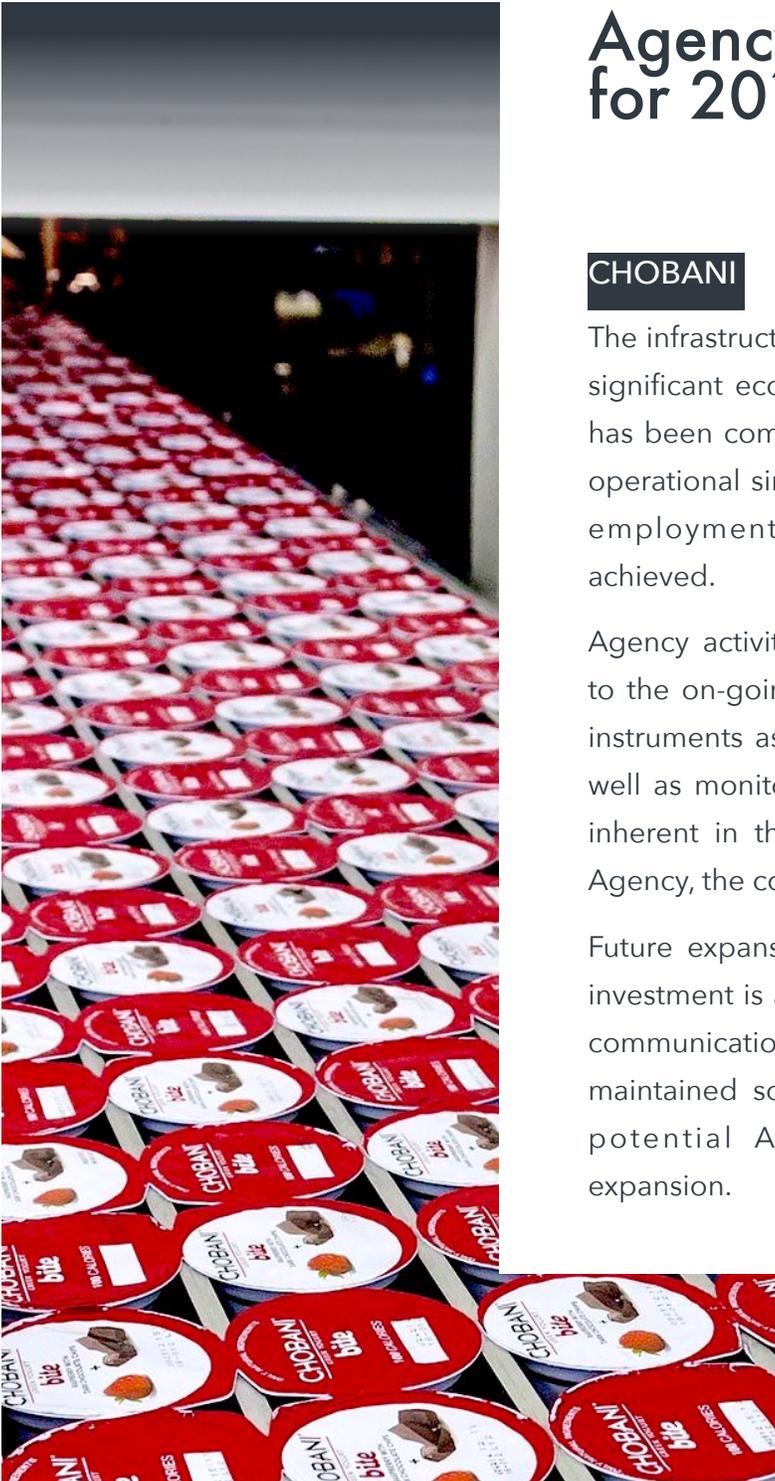
## Agency activities for 2015 \*

### 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



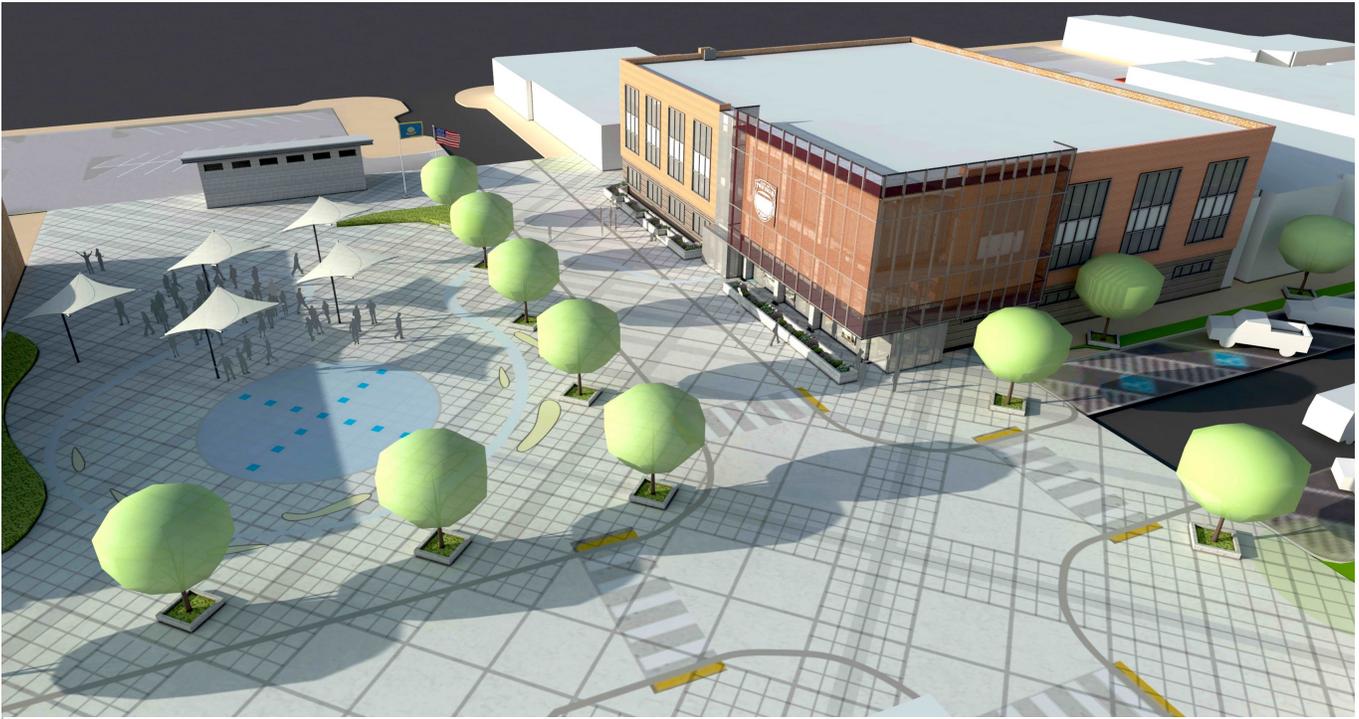
## MAIN AVENUE

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.

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# 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%
<b>Total Assets</b>	<b>24,639,731</b>	<b>42,886,640</b>	<b>74.1%</b>
Long-term Debt Outstanding	36,230,096	34,168,139	(5.7%)
Other Liabilities	5,839,483	22,634,581	287.6%
<b>Total Liabilities</b>	<b>42,069,579</b>	<b>56,802,720</b>	<b>35.0%</b>
Net Investment in Capital Assets	8,007,453	10,021,597	25.2%
Restricted and Unrestricted	(25,437,301)	(23,937,677)	(5.9%)
<b>Total Net Position</b>	<b>\$ (17,429,848)</b>	<b>\$ (13,916,080)</b>	<b>(20.2%)</b>

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%
<b>Total Revenue</b>	<b>10,535,630</b>	<b>8,804,601</b>	<b>(16.4%)</b>
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%)
<b>Total Expenses</b>	<b>32,408,795</b>	<b>5,290,833</b>	<b>(83.7%)</b>
Increase (Decrease) in Net Assets	(21,873,165)	3,513,768	
Net Position - Beginning	4,443,317	(17,429,848)	
Net Position - Ending	\$ <b>(17,429,848)</b>	\$ <b>(13,916,080)</b>	<b>(20.2%)</b>

# 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

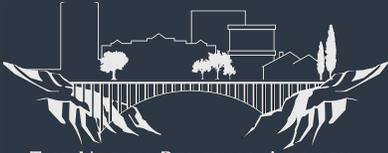
In 2014 the projects for Chobani were completed and the Agency recognized the cumulative costs as an investment in the development of the community. In 2015 the Agency was highly involved assisting with the infrastructure needs of another manufacturing facility relocating to Twin Falls, Clif Bar. In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



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OF THE CITY OF TWIN FALLS

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