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Date: January 26, 2026

Sandpoint Urban Renewal Agency (SURA)
ATTN: Eric Paull Chair of SURA and its Board of Directors
1123 Lake Street, Sandpoint, ID 83864

Subject: Project Evaluation Criteria Responses & Request for SURA Participation

Timberline Helicopters, Inc. has begun constructing a 50,000-square-foot, state-of-the-art aviation facility on approximately 10 acres near the Sandpoint Airport, representing a \$14 million private investment. The project includes a large hangar capable of accommodating multiple types of airframes, consolidation of four THI business units, and an expansion of THI's FAA-certified repair station, which now services 20+ external clients and continues to grow. Construction began after the groundbreaking on May 22, 2025, and is expected to be completed within two years.

This memorandum provides detailed responses to each of the Project Evaluation Criteria outlined in SURA's bylaws. It supports THI's request for \$396,000 in SURA partnership funding for the construction and infrastructure components associated with THI's new facility in the Northern Urban Renewal Area.

Below are our responses critical, to SURA Project Evaluation Criteria.

1. Economic Stimulus

The THI project injects \$14 million of private capital directly into Sandpoint, stimulating economic activity through construction jobs, subcontracting, materials procurement, engineering, and local supply-chain engagement. Long-term, increased repair-station capacity and consolidated operations support ongoing business activity with 16+ external clients, generating sustained economic stimulus within the Northern district.

2. Tax Generation

The project transforms underutilized airport-adjacent land into a modern industrial aviation facility, raising property values and generating incremental tax revenue within the Northern Urban Renewal Area. Under Idaho's revenue allocation (tax increment financing) system, this incremental value contributes to district improvements consistent with SURA's statutory purpose.

3. Employment

Construction supports numerous trades and contractors through Idagon Construction. Once operational, the facility increases THI's employment capacity across aviation maintenance, logistics, fabrication, and fleet support. THI's rapid business growth—expanding to over 20+ external maintenance clients—shows rising demand for skilled labor and long-term workforce stability.

4. Urban Housing

Although not a housing project, THI directly supports the city's housing stability through creation and retention of high-wage jobs in Sandpoint. Local employment reduces commuting pressure and supports household purchasing power, indirectly contributing to a healthier residential market consistent with broader SURA objectives.

5. Elimination of Deteriorated Conditions

The Northern URA's mission includes improving industrial corridors and preventing deterioration. The THI project upgrades a large airport-area parcel into productive use and complements SURA's long-term work in the district, including improvements to Great Northern Road, Baldy Mountain Road, and airport-area utilities.

6. Special or Unique Opportunity

This project positions Sandpoint as a competitive aerospace hub. THI is internationally active—with operations in Australia, South America, Canada, and planned expansion into Europe—and is recognized for UH-60 Black Hawk operations and maintenance. Consolidating these capabilities in Sandpoint creates a unique regional economic asset and differentiates the Northern district within Idaho's industrial landscape.

7. Impact Assessment (Environmental, Design, and Site Impacts)

The project reduces vehicle movements between scattered facilities by consolidating operations. The hangar's airport-adjacent location is compatible with Sandpoint's zoning and long-range planning processes overseen by the City's Planning & Community Development Department. All construction and operations comply with applicable building codes, environmental regulations, and city permit procedures.

8. Financial Assistance

THI requests \$396,000 from SURA to offset necessary infrastructure components—including utility extensions, site access, and interfaces with public roads—that directly support district mobility and functionality. This request is matched by THI's \$14 million private investment, representing a strong public-to-private leverage ratio consistent with SURA's mission to catalyze private development through targeted support.



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9. Project Feasibility

Feasibility is demonstrated through:

- Project already under construction after a formal groundbreaking on May 22, 2025;
- A reputable regional contractor—Idagon Construction—managing the build;
- Proven demand for THI's expanded repair station services;
- A clear two-year timeline for completion.

These factors collectively confirm the project is financially and operationally sound.

10. Developer Ability to Perform

THI's leadership has grown the company from a small operation into a globally engaged aviation enterprise with a diverse fleet and international operations on multiple continents. This history demonstrates THI's financial capacity, regulatory compliance, and operational expertise necessary to execute large-scale aviation infrastructure projects

11. Timely Completion

Construction is underway, with a one-year completion target consistent with industry norms. The unified facility design allows phased commissioning, ensuring that THI can begin operations promptly and that the economic benefits materialize rapidly for the district and community.

12. Payment of Taxes

THI affirms that all property taxes and special assessments associated with the project parcel(s) are paid and current. Supporting documentation can be provided in the full application packet as required by SURA and Bonner County.

13. Justification for SURA Funding

SURA's mission is to leverage public/private partnerships that create demonstrable public benefit. The THI project advances this mission by:

- Delivering substantial private investment into the Northern URA;
- Creating high-skill employment;
- Increasing tax increment;
- Strengthening Sandpoint's industrial and aviation infrastructure;
- Positioning the region as a specialized aerospace maintenance hub.

A \$396,000 SURA contribution will support infrastructure elements that directly enable these outcomes while providing a high return on public investment.

Conclusion

The THI expansion represents a transformative economic opportunity for Sandpoint. It aligns with every major SURA evaluation criterion and advances the strategic goals of the Northern Urban Renewal Area. We respectfully request SURA's favorable consideration for \$396,000 in partnership funding.

If further details, exhibits, or supporting documents are needed, we will provide them promptly.

V/R,

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