



2012 ~~DRAFT~~ Annual Report



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Legacy Crossing District



Dear Friends,

In these pages you will find more than just financial and performance information: you will find evidence of the Agency's continued commitment to add value to the Moscow community while at the same time limiting operational exposure. We take seriously our duty to practice fiscal responsibility and transparency as we advance the Agency's redevelopment policy objectives.

Today, the Agency is faced with a range of complex challenges: a tax increment error calculation by the Latah County Assessor, a number of legislative bills which could impact the Agency's ability to capture future tax increment, a weak build-to-suit market, and the need to transition the Agency's operations to a single district by the end of 2015, just to name a few.

To tackle these challenges, the Agency increased its cash position cut operational expenses and decreased its long term debt. While such an approach results in fewer and smaller projects, it serves as a means to "de-risk" future operations through increased contingency. Nevertheless, we remain committed to the Agency's roots and will continue to facilitate development and redevelopment that results in a more livable and vibrant Moscow.

It is my hope that this report will convey the passion we have for our community. And, as always, we want to thank all of our partners who share our passion and with whom we have had an opportunity to work this past year.

I express my deep appreciation for the leadership of the Moscow Urban Renewal Agency Board of Commission, whose wisdom and guidance have been invaluable as we strive to create value.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey B. Jones". The signature is fluid and cursive, written in a professional style.

Jeffrey B. Jones, AICP  
Executive Director





## Moscow Urban Renewal Agency

**John McCabe**  
Chairman

**Sue Scott**  
Commissioner

**Dave McGraw**  
Commissioner

**Jeffrey B. Jones**  
Executive Director

**Joelle Dinubilo**  
Accounting Specialist

**Tom Lamar**  
Vice Chairman

**Steve Drown**  
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**Don Palmer**  
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**Gary Riedner**  
City Supervisor

**Steven McGeehan**  
Secretary

**Brandi Sullivan**  
Commissioner

**Stephanie Kalasz**  
City Clerk

**Jen Pfiffner**  
Assistant to the City  
Supervisor

## Agency Profile

The Agency was organized by the Moscow City Council in 1995 pursuant to resolution 95-08 in accordance with Idaho Urban Renewal Law, Ch. 20, Title 50, Idaho Code (the "Law") and the Local Economic Development Act, Ch. 29, Title 50, Idaho Code (the "Act"). The Agency acts as an arm of the Idaho State government, entirely separate and distinct from the City of Moscow as provided in Idaho Code Section 50-2006.

The purpose of the Agency is to undertake urban renewal projects in areas designated by the City of Moscow to be deteriorating, and to undertake this rehabilitation, conservation, redevelopment or a combination thereof in the interest of the public health, safety, morals or welfare of the residents of the City of Moscow.

The Agency is comprised of seven Commissioners appointed by the Mayor, and confirmed by the City Council, with terms as specified by the Mayor, as authorized by Moscow City Council Resolution 2008-17. Membership is constituted as follows: Two (2) members of the Moscow City Council; One (1) member of the Latah County Commission; and, four (4) members from the citizenry at large. Terms are staggered in such a fashion that no more than three (3) expire in any given year. The Board of Commissioners elect the Chairman, Vice-Chairman and Secretary from the ranks of the Commission, the Treasurer office may be filled by Commissioners or by staff appointments made by the Commission.

The Chairperson is the Chief presiding officer of the Agency. The Chair executes all deeds, bonds, contracts and other legal documents authorized by the Commission. Some of the Chair's duties may be delegated by the Board of Commission to the Agency's half-time Executive Director who oversees

the day-to-day operations of the Agency and carries out the policies of the Board.

The City of Moscow is responsible for defining the geographic boundaries and legal creation of all urban renewal districts within the city. The Alturas Technology Park District was created in 1995 and the Legacy Crossing District was created in 2008. The Agency works with the City of Moscow and the private sector to remedy blight and to facilitate economic development within these two districts. The Agency's activities within these districts are directed by specific urban renewal plans adopted by the Moscow City Council. The Agency provides funding for these efforts through the use of tax incremental financing.

When the city establishes a tax increment financing district, the value on the property in the district is frozen. The property taxes collected on the frozen or "base" value goes to the various taxing entities providing services to that property. The increase in value over the base is called the "increment" value and the tax revenue generated from the increment value is transferred to the Agency. These tax increment revenues are used by the Agency to pay for public improvements and other revitalization activities in that district. When the district closes (now up to 20 years) the increment value is added back to the base value on the tax rolls. This helps diversify and strengthen the economic bases of both the city and the county.

Though urban renewal is a separate item on property tax statements, local property owners pay the same amount of tax whether or not an urban renewal district is established in their area.





## Statement of Net Assets - Detail September 30, 2012

### Assets

Total Cash & Investments - \$659,759 at year end.  
Accounts Receivable: LGIP Accrued Interest \$117 and A/R of \$497.  
Land held for sale in the amount of \$531,256 is the Alturas Property.  
Capital Assets Land - \$505,803.

### Liabilities

Accounts Payable Total \$124.  
Total Bond & Loan Principal due in FY 2013 is \$80,642 and \$22,000 (Total \$102,642).  
Non-current Liabilities \$651,913.

### Net Assets

\$138,565 Restricted for Debt Service.  
\$1,008,628 is considered unrestricted. It includes the URA's ownership in Land held for resale.  
\$353,616 Invested in Capital Assets, net of Related Debt.

## Budget to Actual Revenues - Detail September 30, 2012

### Property Taxes – Alturas Technology Park:

Budgeted:	\$ 323,415
Actual:	<u>\$ 344,205</u>
Unrealized:	\$ 20,790

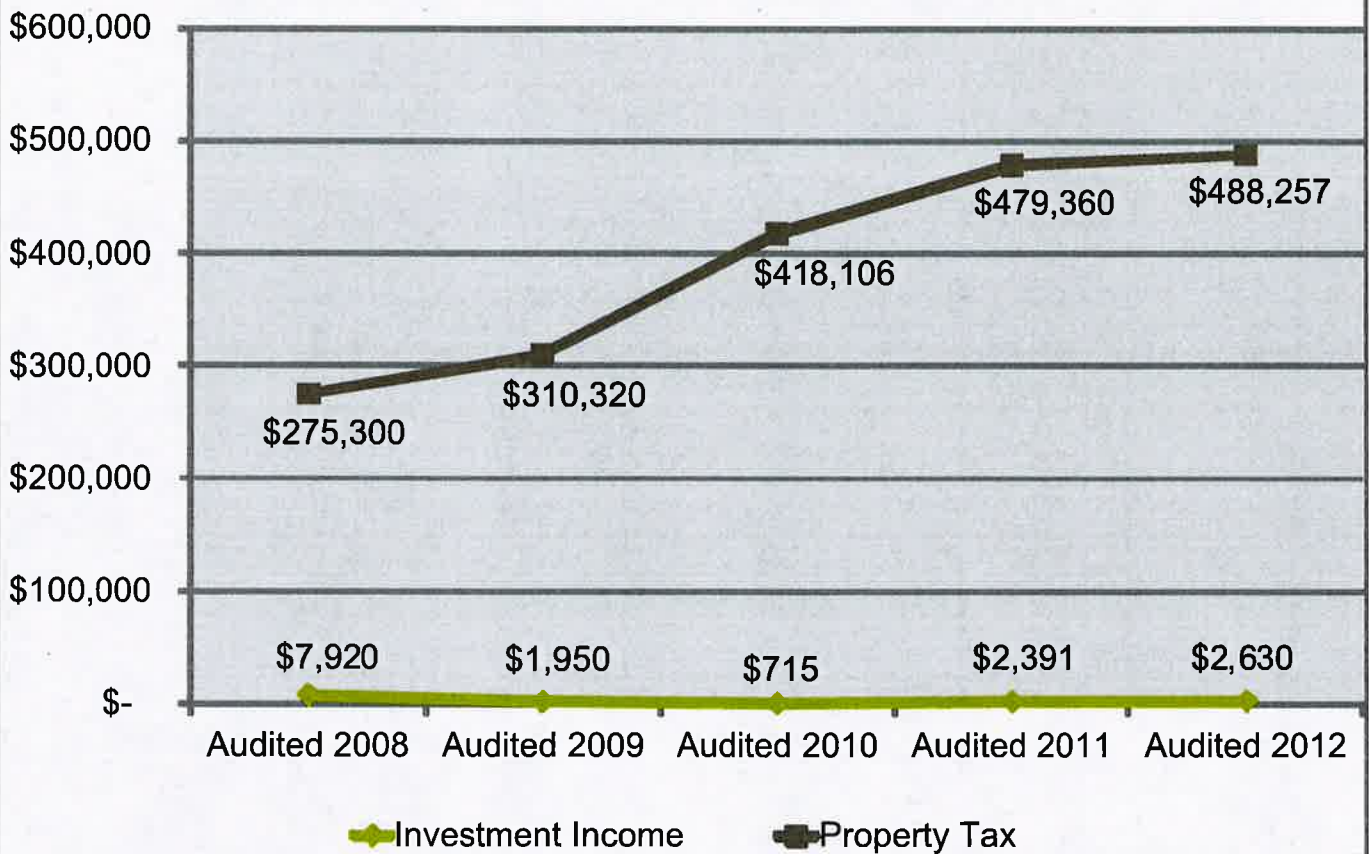
### Property Taxes – Legacy Crossing:

Budgeted:	\$ 140,000
Actual:	<u>\$ 144,052</u>
Excess:	\$ 4,052

### Interest Earnings – General Fund:

Budgeted:	\$ 1,500
Actual:	<u>\$ 2,630</u>
Excess:	\$ 1,130

### Property Tax & Investment Income Revenue Trend



## Budget to Actual Expenditures – General Fund September 30, 2012

### Legal & Professional Fees:

Budget:	\$ 59,870
Actual:	<u>\$ 53,712</u>
Variance:	\$ 6,158

### Management Services:

Budget:	\$ 30,000
Actual:	<u>\$ 30,000</u>
Variance:	\$ 0

### Insurance:

Budget:	\$ 2,000
Actual:	<u>\$ 1,709</u>
Variance:	\$ 291

### Other Administrative Expenses:

Budget:	\$ 7,030
Actual:	<u>\$ 40*</u>
Variance:	\$ 6,990

### Advertising:

Budget:	\$ 1,200
Actual:	<u>\$ 540</u>
Variance:	\$ 660

\* \$40 for a Budget Meeting.

## Budget to Actual Expenditures – Alturas September 30, 2012

### Legal & Professional Fees:

Budget:	\$ 19,000
Actual:	<u>\$ 0</u>
Variance:	\$ 19,000

### Other Administrative Expenses:

Budget:	\$ 1,500
Actual:	<u>\$ 0</u>
Variance:	\$ 1,500

### Advertising:

Budget:	\$ 5,000
Actual:	<u>\$ 568</u>
Variance:	\$ 4,432

\* \$1,454 includes landscaping and mowing charges for the Alturas District from 2009-2012.

### Repairs & Maintenance:

Budget:	\$ 1,200
Actual:	<u>\$ 1,454*</u>
Variance:	\$ -254

## Budget to Actual Expenditures – Legacy Crossing September 30, 2012

### Legal & Professional Fees:

Budget:	\$ 12,500
Actual:	<u>\$ 1,564</u>
Variance:	\$ 10,936

### Advertising:

Budget:	\$ 500
Actual:	<u>\$ 234</u>
Variance:	\$ 266

### Repairs and Maintenance:

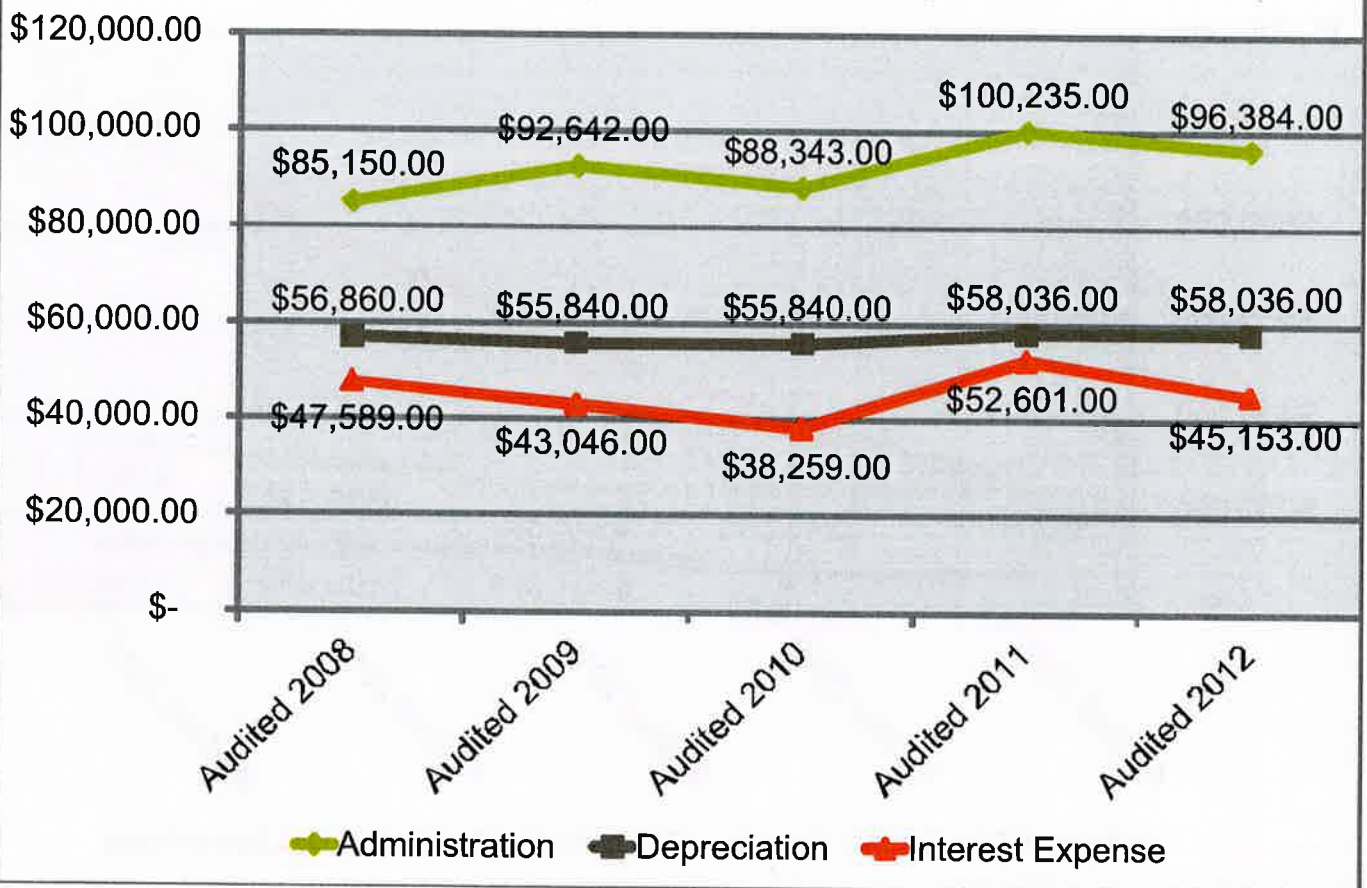
Budget:	\$ 2,700
Actual:	<u>\$ 1,563</u>
Variance:	\$ 1,137

### Other Administrative Expenses:

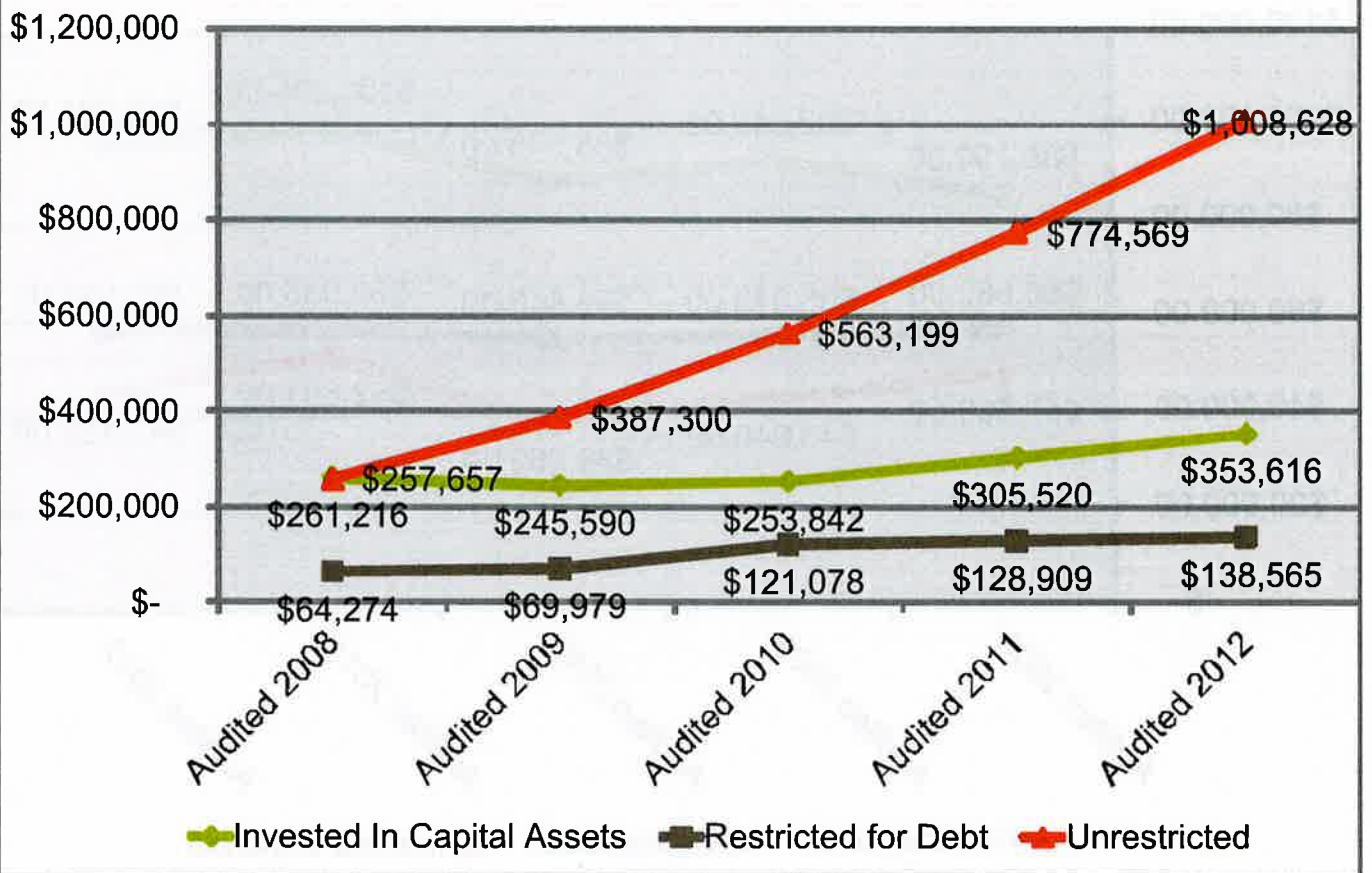
Budget:	\$ 1,600
Actual:	<u>\$ 5,000*</u>
Variance:	\$ -3,400

\* \$5,000 was spent on sidewalk funding participation for College Street.

### Governmental Activities Expenses

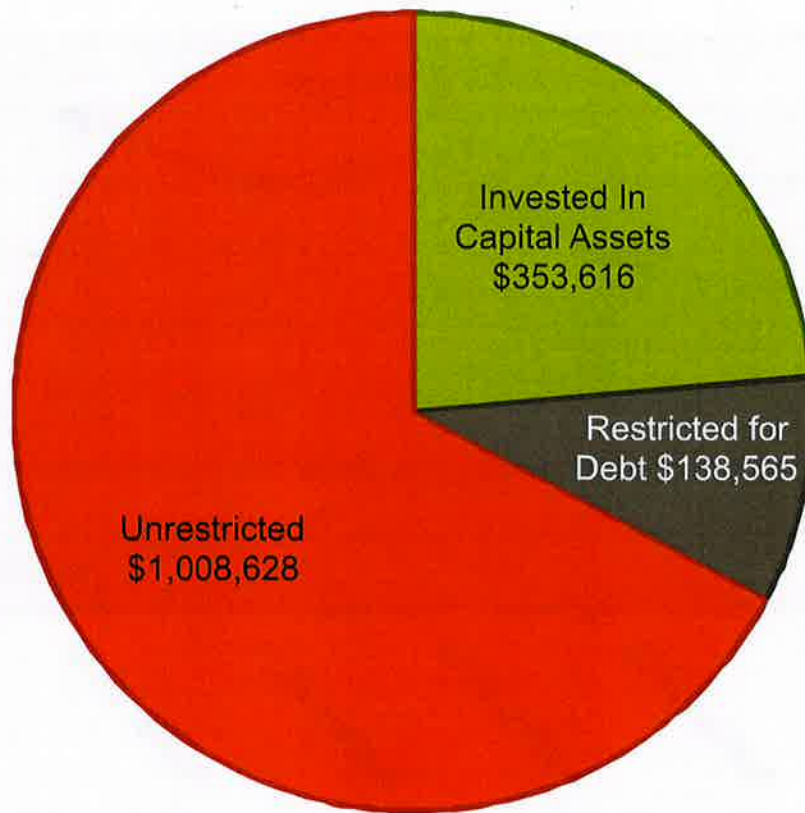


### Trends in Net Assets

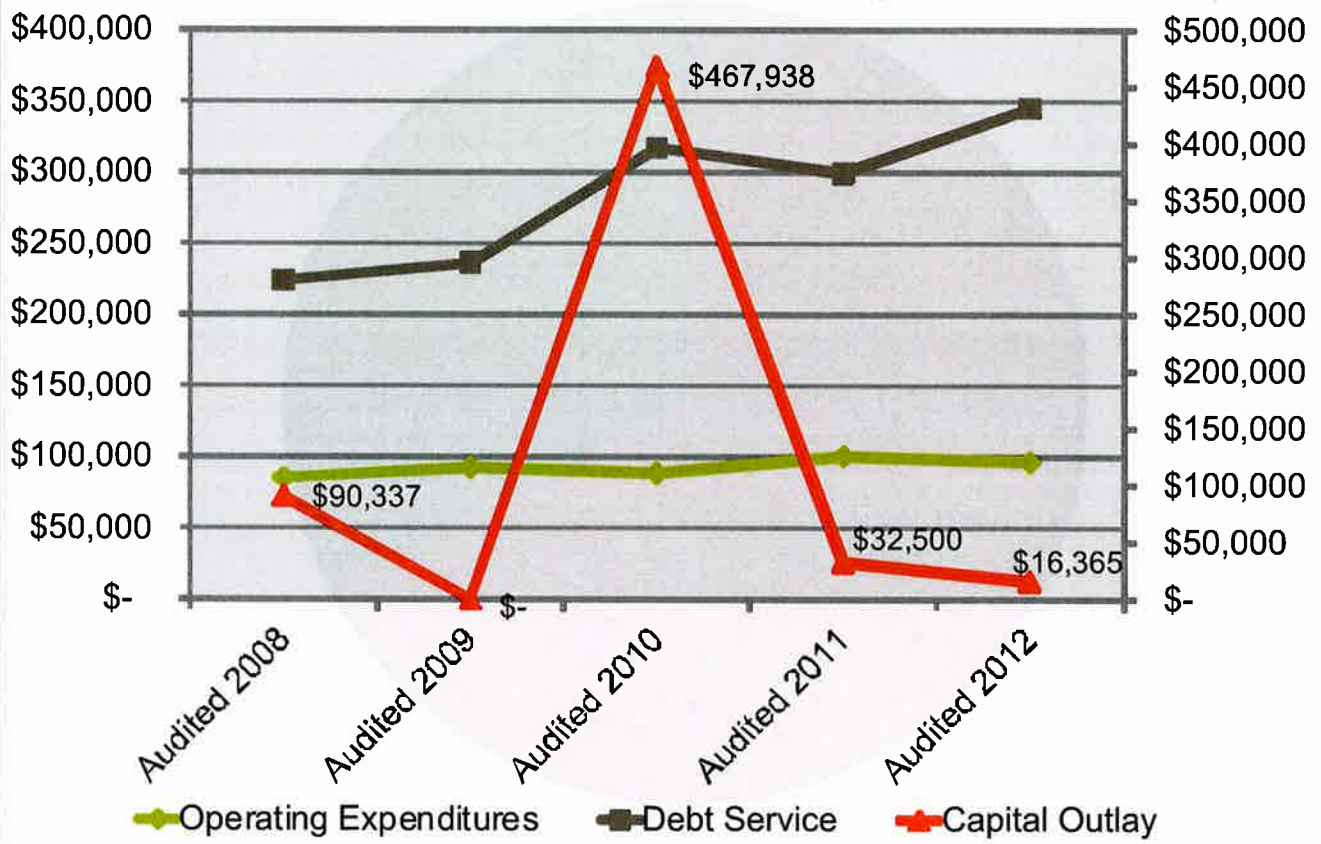




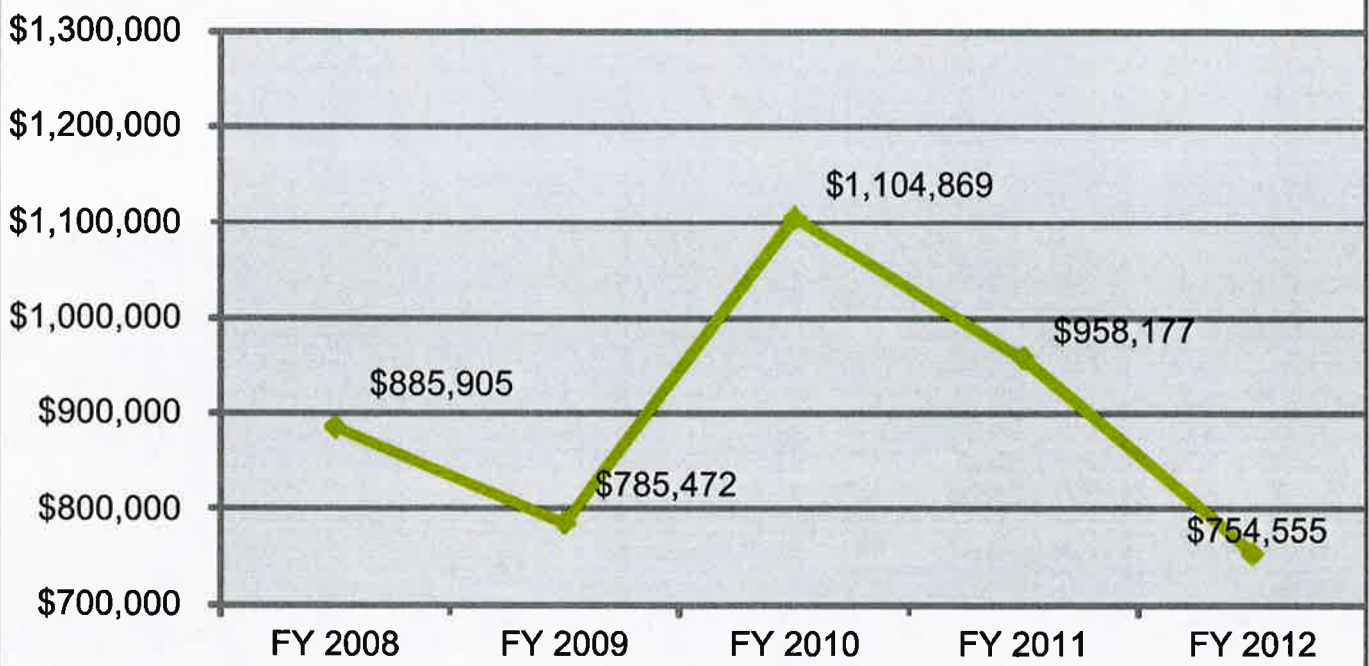
### Net Assets FY 2012



### Expenditure Trends



### 5-Year Long Term Debt Trend





Primary (Export)

Industries

## Alturas Technology Park

The Alturas Technology Park is the Moscow Urban Renewal Agency's first district and is currently home to many of Moscow's premier high-tech companies, including EMSI, Comtech EF Data Corporation, Alturas Analytics, Inc., Anatech Labs, Inc., and BioTracking, LLC. The majority of these firms are linked to outside/nonlocal markets and are considered "primary" industries. Wealth enters a local economy principally by way of these industries.

The export industries within the Alturas Technology Park have a profound economic impact on the Moscow economy. These companies now have a total payroll of \$6.2 million and pay an average wage of \$50,650, which is significantly higher than the city's median household income of \$35,389. Furthermore, the park contributes an estimated adjusted impact of \$26.7M to the local community.

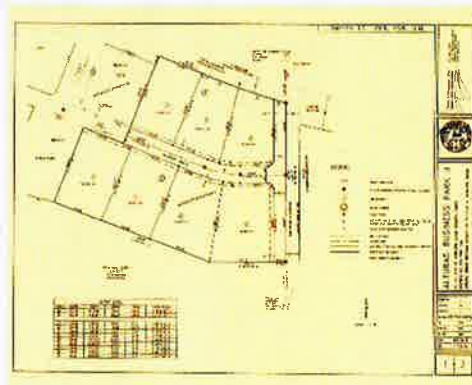
When a community or region increases the number of high-wage primary industry jobs, a "force" pulls up the bottom rung of the economic ladder, lifting individuals through a series of wage and skill steps, improving the standard of living for most people. This "force" causes part-time low paying retail and service jobs to fold into full-time jobs at higher wage levels and with fringe benefits.

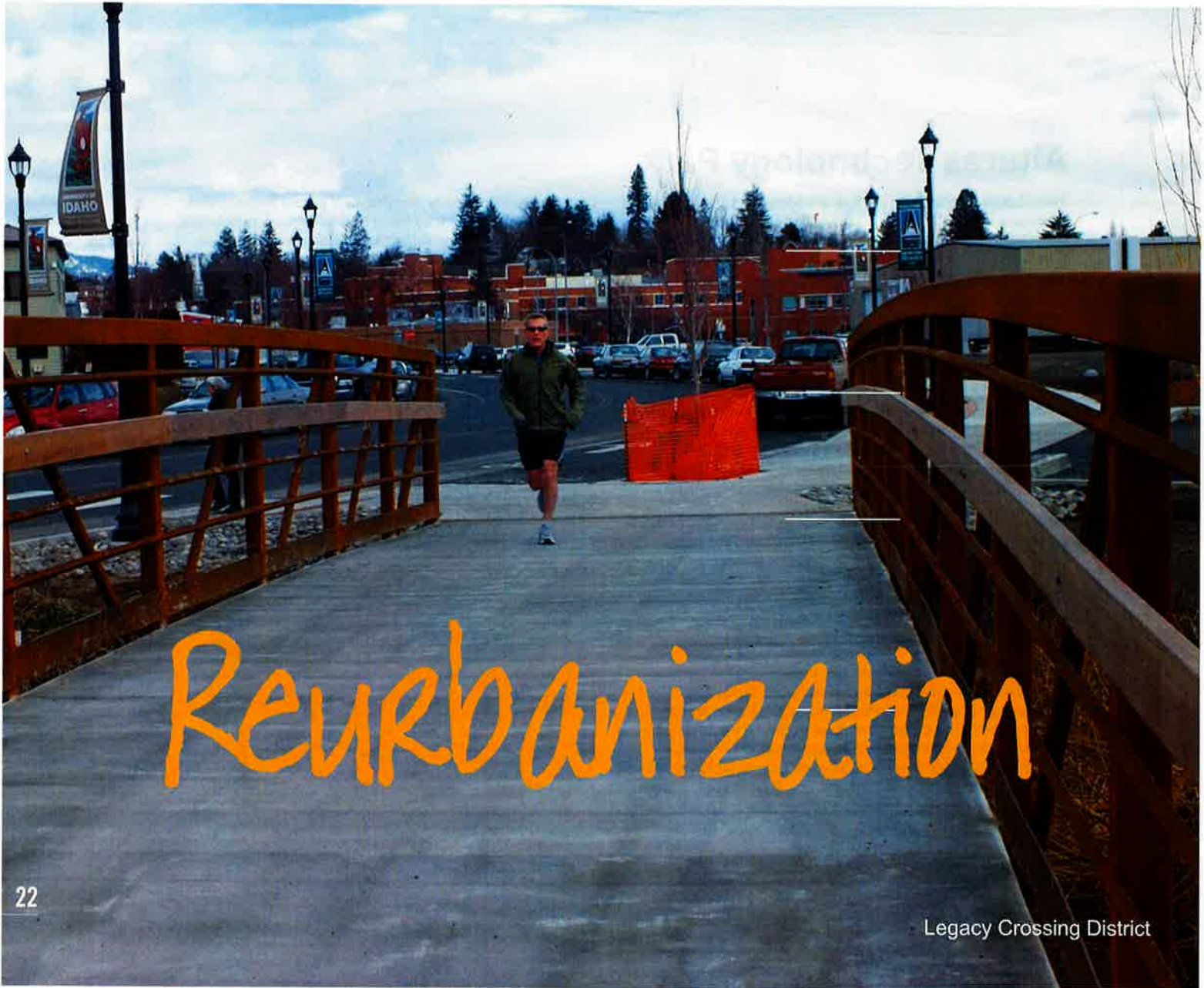
The Alturas Technology Park Covenants, Codes, and Restrictions (CC&Rs) and the associated Research, Technology and Office Zoning District (RTO) target more specific uses than those contained in the City's other non-residential zoning districts. In keeping with the Park's economic development goals to capture and facilitate primary (export) industries, the RTO Zone and CC&Rs only permit technology-based or knowledge-driven users. These requirements have caused some conflict within the

community as property owners, real estate brokers and developers feel that they have had to turn away potential occupants that fall outside these more specialized use classifications. Furthermore, the Park's Floor Area Ratio (FAR) standard and the requirement that property owners build on a given lot within two years of purchase may also prove challenging in today's marketplace.

The Moscow Urban Renewal Agency has six (6) lots left for sale within the Alturas Technology Park. The lots range in size from 28,370/SF to 38,885/SF and are priced at \$2.34/SF (Fair Market Value). During FY2012, MURA staff prepared five (5) packages in response to RFIs submitted by industry Site Selectors; and nineteen (19) digital real estate packages to potential company relocates.

During FY2012, the MURA also paid the balance of the Thompson Family Limited Partnership note in the amount of \$113,855.





## Legacy Crossing District

The Legacy Crossing Urban Renewal District was created in June of 2008 and is the Agency's second urban renewal district. Legacy Crossing covers approximately 163 acres and includes a majority of the blighted and underutilized properties located between Moscow's historic downtown and the University of Idaho.

By definition, reurbanization involves redeveloping already urbanized areas, which decreases pressure for development of greenfield sites outside the City. Reurbanization provides an opportunity to learn from mistakes of the past and to create high-quality, livable urban environments while building at a human scale. Reurbanization can ensure a range of places where new kinds of businesses can locate and promote diversity of housing types and choice. Finally, reurbanization can support community building and social integration.

The opening of the Intermodal Transit Center, the reconstruction of College Street and the placement of the new bike /pedestrian bridge have provided a huge boost in confidence and capital and have jump-started the process of reurbanization.

Still, the District is not without challenges. A tax increment error calculation by the Latah County Assessor's Office may reduce the Agency's revenues by 40% and require the repayment of \$100K from past revenue allocations. As such, the Agency will be forced to utilize more Owner Participation Agreements as opposed to TIF bond financing or direct investment strategies. Owner Participation Agreements require private developers or companies front the costs for new public infrastructure and are repaid from future TIF revenues.

Despite these challenges, the Agency through public-private partnerships will continue to focus on redeveloping the district into a vibrant and attractive mixed use neighborhood including the design and development of the "Hello Walk" extension.

Towards that end, the Agency completed the following development activities during FY2012:

- Executed a contract with Rim Rock Consulting, Inc, to prepare an ALTA/ACSM Land Title Survey for the MURA owned property at 6<sup>th</sup> and Jackson.
- Completed the demolition and cleanup of all structures and the removal of an underground storage tank (UST) on the MURA owned property at 6<sup>th</sup> and Jackson.
- Completed a Phase II Environmental Site Assessment which included the installation of monitoring wells on MURA owned property at 6<sup>th</sup> and Jackson.
- Completed an Analysis of Brownfield Cleanup Alternatives (ABCA) and submitted an EPA Brownfield Cleanup Grant application for the MURA owned property at 6<sup>th</sup> and Jackson.
- Partnered with the City of Moscow and the University of Idaho for the reconstruction of College Street and for the installation of a bike /pedestrian bridge across Paradise Creek.





## EPA Brownfield Coalition Grant

Creating the opportunity for economic revitalization through Brownfield redevelopment is a primary goal of the Moscow Urban Renewal Agency.

The United States Environmental Protection Agency (EPA) defines brownfields as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant." These problem properties are not uncommon. According to the General Accounting Office (GAO), there are close to 450,000 brownfields in the United States.

In 2010, the Moscow Urban Renewal Agency partnered with the City of Moscow and Latah County and was awarded an EPA Brownfields Assessment Coalition Grant totaling \$475,000.

The grant allows for environmental assessments and cleanup planning for sites located primarily within the Legacy Crossing Urban Renewal District. The Agency's Executive Director is also the Project Manager for the EPA Brownfield Coalition Grant.

In 2012, Phase I /Phase II Environmental Site Assessment and cleanup planning activities took place for the following properties: 317 W. 6th Street, 207 N. Main Street, 1102 S. Main Street, 103 N. Almon Street, the Fountain Property, and the City owned property at Lilly and Asbury Street.

For the public /private sectors, brownfield redevelopment can mean new business opportunities, the potential for profit on unused or under-utilized properties, increased environmental stewardship, and access to untapped markets.





## Inventory of MURA owned Properties

District	Property Address	Parcel Number	SF /Acres	Planned Reuse
Alturas	1362 Alturas Drive	RPM00270010020	29,412/SF	Fee Simple Sale
Alturas	1412 Alturas Drive	RPM00270010030	28,370/SF	Fee Simple Sale
Alturas	1425 Alturas Drive	RPM00270020040	38,885/SF	Fee Simple Sale
Alturas	1383 Alturas Drive	RPM00270020030	36,997/SF	Fee Simple Sale
Alturas	1345 Alturas Drive	RPM00270020020	34,531/SF	Fee Simple Sale
Alturas	1293 Alturas Drive	RPM00270020010	35,029/SF	Fee Simple Sale
Legacy	201 W. 6 <sup>th</sup> Street	RPM00000180025	0.87 Acres	Public pathway, public plaza and future fee simple sale

The Agency owns six (6) lots within the Alturas Technology Park District and one (1) lot within the Legacy Crossing District.

IN FY2013, the Agency will execute a contract with a Commercial Brokerage to provide the following scope of services:

- Develop strategies for sale of designated Agency-owned properties (such as conducting a study of comparable properties).
- Develop marketing materials (electronic and/or hard copy) to advertise sites for sale, distribute the materials to potential buyers via the appropriate form(s) of media and report results to the Agency on an agreed upon frequency
- Advise the Agency related to strategies to promote and sell the remaining lots in the Alturas Technology Park.
- Participate in site tours of Agency-owned property that is for sale for potential buyers;
- Analyze offers from potential buyers and advise the Agency with respect to negotiations;
- Represent the Agency in negotiations with a prospective buyer from the time of offer until closing;
- Coordinate real estate transaction closings; and
- Handle all other customary activities and services associated with real estate transactions.



## **Public Comments /Response to Public Comments**

The comment period on the Draft 2012 Annual Report was opened on March 11, 2013 and was closed on March 18, 2013. No public comments were received during the comment period.



**NEWS REVIEW PUBLISHING COMPANY**  
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 (208) 743-9411

URA

Date: 03/02/2013 INVOICE NO. 75306

Account No. 30117922

Description 75306 As requir

Times 1 Lines 35  
 Tab. lines

\$ 26.60

PO#

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 INVOICE**

Sold To: MOSCOW URBAN RENEWEL AGENCY  
 PO BOX 9203  
 MOSCOW ID 83843

NOTICE: This is a invoice of Purchase made by you. Statement will be rendered the first of the month  
 Please Retain This Invoice as Your Statement Will Refer to Invoice by No. Only.

**AFFIDAVIT OF PUBLICATION**

93504  
 As required by Idaho Code §50-2006(c), the Moscow Urban Renewal Agency will consider for approval the draft annual report of the Agency's 2012 activities on March 27, 2013. On March 11, 2013, a copy of the report will be available for inspection during business hours in the office of the City Clerk or on the Urban Renewal Agency's website: <http://moscowura.com>. Written comments may be submitted to the Agency in advance of the meeting. The comment period will remain open until March 18, 2012.

Karen J. Lewis, Legal Clerk being first duly sworn, on oath deposes and says: I am the printer of Moscow-Pullman Daily News, a newspaper of general circulation, published daily except Sunday at Moscow, Latah County, Idaho, in compliance with Sections 60-106, 60-107, and 60-108 of the Idaho Code and the amendments thereto; and an official newspaper for Whitman County, Washington as required by R.C.W. 36.72.071 and other provisions of the Revised Code of Washington and the amendments thereto; that the notice of which the annexed is a full, true and correct printed copy was published in the regular and entire issues of said newspaper and not in a supplement thereto, upon the following dates:

March 2, 2013

As required by Idaho Code §50-2011(f), the annual report identifies the real property held by the Agency and sets forth the reasons such property remains unsold and indicates the Agency's plans for disposition of the real property, if necessary. If you have any questions or to submit comments, please contact MURA Executive Director Jeff Jones at (208) 883-7007 or [jjones@ci.moscow.id.us](mailto:jjones@ci.moscow.id.us).

the same being the date designated for the publication of said notice.

Karen J. Lewis

On this 5<sup>th</sup> day of March in the year of 2013, before me, a Notary Public, personally appeared Karen J. Lewis, known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he executed the same.

Carol L. Peterson

Notary Public for Idaho,  
 Residing at Lewiston, Idaho  
 My Commission Expires 9-1-2017





**Urban Renewal Agency**

206 E. Third Street

Moscow, Idaho 83843

(208)883-7007

**[www.moscowura.com](http://www.moscowura.com)**