



MURA Finance Committee Special Meeting Agenda: Monday, May 21, 2018, 7:00 a.m.

Mayor's Conference Room • 206 E 3rd Street • Moscow, ID 83843

1. **Consent Agenda** - Any item will be removed from the consent agenda at the request of any member of the Board and that item will be considered separately later.

A. Minutes from October 24, 2017

ACTION: Approve the consent agenda or take such other action deemed appropriate.

2. **Election of Finance Committee Officers – Bill Belknap**

Last year the Finance Committee elected members of the Committee to the positions of Chair and Vice Chair and determined that future officer elections to be held at the first meeting of the Committee each year thereafter.

Action: Conduct nominations and elections of Committee Chair and Vice Chair.

3. **Review of 2017 Financial Statements – Bill Belknap**

Staff will provide an overview of the FY2017 audited financial statements for the Committee's information.

Action: Receive report.

4. **Review of Legacy Crossing Plan Amendment & Financial Feasibility Study – Bill Belknap**

The MURA has been considering the expansion of the Legacy Crossing District Boundary to include the adjacent portion of Main Street. Staff has prepared the amended and restated plan and associated infrastructure needs assessment and financial feasibility study as required by statute. Staff is presenting the materials for the Committee's review and recommendation to the Agency Board.

Action: Review the proposed plan amendment and financial feasibility study and provide the Agency Board with any recommendations.

5. **Review of Proposed FY2019 Budget– Bill Belknap**

Staff has prepared the draft FY2019 Budget and associated Capital Improvement Plan for the Committee's review and recommendation.

ACTION: Review the proposed FY2019 Budget and Capital Improvement Plan and provide the Agency Board with recommendations.

6. **Adjourn.**

NOTICE: Individuals attending the meeting who require special assistance to accommodate physical, hearing, or other impairments, please contact the City Clerk, at (208) 883-7015 or TDD 883-7019, as soon as possible so that arrangements may be made.



MURA Finance Committee Special Meeting: Tuesday, October 24, 2017, 7:00 a.m.

Mayor's Conference Room • 206 E 3rd Street • Moscow, ID 83843

Committee Members Present	Commissioners Absent	Also in Attendance
Brian Foisy	none	Bill Belknap, MURA Executive Director
Jon Kimberling		Gary Riedner, Interim Treasurer
Steve McGeehan		
Ron Smith		

Meeting was called to order at 7:04 a.m.

1. Review of Bylaw Amendments Pertaining to the Finance Committee Roles and Responsibilities – Bill Belknap

Staff will provide an overview of the recent updates to the MURA Bylaws and specified roles and responsibilities of the Finance Committee.

Action: Receive report.

Belknap provided an overview of the recent amendments to the Agency Bylaws and specific duties and responsibilities that had been added for the Finance Committee. There were no comments or questions and the report was accepted by the Committee.

2. Election of Finance Committee Officers – Bill Belknap

The Finance Committee has historically operated in a somewhat informal manner without the formal election of officers. In the interest of the orderly conduct of the Committee's meetings, Staff is recommending that the Committee elect and designate members of the Committee to the positions of Chair and Vice Chair. Staff would recommend that the Committee conduct elections for these positions for the remainder of this year and future officer elections to be held and the first meeting of the Committee each year thereafter.

Action: Conduct nominations and elections of Committee Chair and Vice Chair.

Belknap noted that the Finance Committee operated in a more informal fashion in the past, however with the addition of the specific duties and responsibilities to the Finance Committee it was important to formalize the process of developing and providing recommendations to the Board and maintain the associated minutes and records of the Committee's actions. Staff recommended the Committee elect the positions of Chair and Vice Chair to assist in the conduct of the Committee's business. Foisy nominated Smith as Chair and Kimberling as Vice Chair. McGeehan seconded the motion which passed unanimously without discussion.

3. Review of Proposed Disposition and Development Agreement with Sangria Downtown LLC– Bill Belknap

Staff will provide an overview of the draft Disposition and Development Agreement with Sangria Downtown LLC pertaining to the sale of remnant portions of the Sixth and Jackson property for the Committee's review and recommendation to the MURA Board.

ACTION: Review draft Disposition and Development Agreement and provide recommendation to MURA Board.

Belknap provided a presentation on the history of the property, the purpose of acquisition by the Agency, the fair use appraisal results and the terms and conditions of the Disposition and Development Agreement (DDA). The DDA serves as the purchase sale contract, contains specific milestones that must be achieved prior to conveyance, and governs the timing of property development. The fair use appraisal and residual land value analysis completed by Gem Valley Appraisal determined a fair use value of \$25,503. The Agency also engaged Palouse Commercial to conduct a third-party review of the appraisal and project. Their assessment concluded that if more conservative

values were utilized for project expenses, the developer fee inclusion and a higher capitalization rate, the residual land value would be -\$440,000. Belknap said the Sangria Group has indicated they are prepared to offer the Agency \$100,000 for the property due to their willingness to accept a lower capitalization rate. Committee members discussed the project and felt that while the fair use appraisal was lower than expected, this is the right project for the property and it advances the District's goals and objectives and helps to achieve the community vision for Legacy Crossing. Foisy moved to recommend approval of the Development and Disposition Agreement to the Agency Board as presented. The motion was seconded by Kimberling and carried unanimously.

4. Review of Proposed Owner Participation Agreement with Sangria Downtown LLC – Bill Belknap

Staff will provide an overview of the proposed Owner Participation Agreement with Sangria Downtown LLC pertaining to the reimbursement of public street frontage improvements adjacent to Jackson Street for the Committee's review and recommendation to the MURA Board.

ACTION: *Review draft Owner Participation Agreement and provide recommendation to MURA Board.*

Belknap provided an overview of the proposed Owner Participation Agreement which follows the Agency standard agreement whereby the developer funds the improvements and is repaid through a 50% allocation of tax increment received from the project. The improvements would include removal of 118 linear feet of deteriorating curbing and 80 square yards of deteriorated sidewalk, construction of 188 linear feet of curbing and 118 linear feet of 10-foot wide concrete and brick paver sidewalk, and installation of two street trees and two historical style street lights. The estimated public improvement cost is \$97,448. Foisy moved to recommend approval of the Owner Participation Agreement to the Agency Board as presented. The motion was seconded by Kimberling and carried unanimously.

5. Adjourn.

At 8:09am Foisy moved to adjourn, seconded by Kimberling, and carried unanimously.

Ron Smith, Committee Chair

Date



Moscow, Idaho

Financial Statements



For The Fiscal Year Ended
September, 30 2017

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

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February 15, 2018

To the Moscow Urban Renewal Agency Board of Commissioners and Citizens of the City of Moscow:

We are pleased to submit to you the *Audited Financial Statements for the Moscow Urban Renewal Agency* (hereafter “the Agency”) for the fiscal year ended September 30, 2017.

Idaho State Law requires that all government development authorities submit audited financial statements to the entity that sponsored their corporate existence. For the Moscow Urban Renewal Agency, this entity is the City of Moscow. The statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS).

This report consists of management’s representations concerning the finances of the Agency. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the Agency’s assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the Agency’s financial statements. Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Agency’s financial statements have been audited by Presnell Gage, PLLC, a company of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the Agency’s financial statements for the fiscal year ended September 30, 2017.

The Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Letter of Transmittal and the two should be read in conjunction.

Profile of the Moscow Urban Renewal Agency

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 elects the Chair, Vice-Chair, and Secretary from the ranks of the Commission. The Treasurer's office may be filled by Commissioners or by staff appointments made by the Commission.

The Chair 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 Commissions to the Agency's 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 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 urban renewal districts. The Agency's activities within urban renewal 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 increment financing.

When the City establishes a tax increment financing district, the value on the property within the district is frozen as of the year the district is established. The ad valorem taxes collected on the frozen or "base" value is paid to the various taxing entities providing services to that property. Any subsequent increase in the value of property above 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 from commencement) 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.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Agency operates.

Local Economy

Moscow is a city in northern Idaho, situated along the Washington/Idaho border. Moscow is the home of the University of Idaho, the land grant institution and primary research university for the state, as well as the home of New Saint Andrews College. Eight miles west is Pullman, Washington, home of Washington State University, also a land grant institution.

Moscow is the principal city in the Moscow, Idaho, Micropolitan Statistical Area (McrSA), which includes Latah County. The City contains over 60 percent of the County's population, and while the University of Idaho is the dominant employer in Moscow, the City also serves as an agricultural and commercial hub for the Palouse region. Moscow leads all cities in the Micropolitan Statistical Area (McrSA) in most measures of economic power, including population, income, employment, bank deposits, assessed valuation, office space, and college enrollment.

The 2017 population of the City was estimated at 25,322 (2016 U.S. Census est.), which places it as the 12th largest city in Idaho. The unemployment rate (not seasonally adjusted) for Latah County for September 2017 was 2.1 percent.

Long-term Financial Planning

Prior to the fourth Monday of March of the current year, the Latah County auditor notifies the Agency of the total taxable valuation of all the taxable property situated within the Legacy Crossing District for the preceding calendar year for the purpose of assisting the Agency to develop its annual budget.

In February 2016, the Latah County Assessor released its report on the Agency's assessed valuation for fiscal year 2017 (tax year 2016). Total assessed valuation within the Legacy Crossing District increased by 3.8 percent. The Agency's tax increment revenue received in fiscal year 2017 was \$179,343, or about 2 percent of the total assessed valuation increase.

A tax increment calculation error occurred for the Legacy Crossing District. Following the 2012 property tax assessment process, Latah County notified the Agency that after a review of the assessment process, a tax increment calculation error had been made in the Legacy Crossing District, and the Agency had been allocated too much assessed value. It has been determined that the Agency received an overpayment of \$114,537 of property tax receipts over the previous three-year period. Pursuant to an agreement made between the Agency and Latah County, the overpayment will be repaid to Latah County on behalf of the effected taxing entities over a period beginning in FY2017 and ending in FY2029.

Major Fiscal Year Initiatives

Sixth and Jackson Property. The Agency owns a 0.84 acre property at the southwest corner of the intersection of Sixth and Jackson Streets in Moscow. The Agency's primary focus is the redevelopment of the property through continued environmental assessment/remediation and facilitating the construction of improvements in conformance with the Legacy Crossing Plan.

In May of 2013, the Agency was awarded an EPA Hazardous Substances Cleanup Grant to fund the removal of soils to allow the property to be redeveloped. The active cleanup construction was completed in the fall of 2016 and the Agency received the Certificate of Completion and Covenant Not to Sue from the State of Idaho, Department of Environmental Quality in April 2017. In response to an RFP issued in the fall of 2014, Sangria Downtown, LLC, was selected as the successful respondent, and in April of 2015, the Agency entered into an Exclusive Negotiation Agreement (ENA) with Sangria Downtown, LLC. The goal of the ENA is to provide a process for negotiating a Disposition and Development Agreement (DDA) to formally document terms of transactions and responsibilities of the parties. The DDA was approved by the Agency's Board on October 26, 2017. Sangria Downtown, LLC, is currently finalizing their development plans with construction scheduled to begin in the spring/summer of 2018.

Private Development Partnerships

The Agency's Board partnered in over \$40 million in private development projects to assist in funding the cost of needed public infrastructure, environmental remediation, roadway, and access improvements through Owner Participation Agreements (OPA). Through the OPA, the Agency reimburses the developer for identified public improvements from increased property taxes that result from the private investment. New OPAs approved in 2016 included the Gritman Medical Office Building, Identity on Main, Dawson's Corner, and Third and Jackson projects.

Contributions to Valuable Community Projects

The Agency contributed to several public projects in 2017, including a \$27,000 contribution to the Downtown Restroom Project, a \$10,000 contribution to the Idaho Transportation Department for sidewalk improvements associated with the Latah Paving Project, and future commitments of \$15,000 toward the Highway 8 Pedestrian/Bike Underpass Project, \$87,000 toward the 3rd Street Corridor Streetscape and Pedestrian Safety Improvement Project.

Accounting System and Budget Control

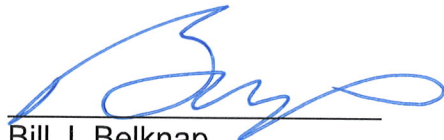
The annual budget serves as the foundation for the Agency's financial planning and control. The Agency's Executive Director and Treasurer prepare the annual budget. The Agency must notify the Latah County clerk of the date, time, and location of the Agency's budget hearing for the upcoming fiscal year no later than April 30 of each year. The Agency's Board of Commissioners must adopt a prospective budget prior to the scheduled public hearing. Legal notice of the proposed budget and budget hearing must be published twice, at least seven (7) days apart in the official newspaper. The final budget document must be adopted and published by September 30 of each year.

The planning of the budget, proposed presentation, public hearing notices, public hearing, adoption and submission to Latah County is outlined in the annual budget calendar each year ensuring all legal compliance and disclosure. The Agency's adopted budget threshold is the Agency's total balance of revenues and expenditures. The Agency may amend the current year's budget at any time during the fiscal year so long as it follows the same public hearing requirements needed for the budget's original certification. Amendments to the budget are occasionally necessary for unanticipated revenues.

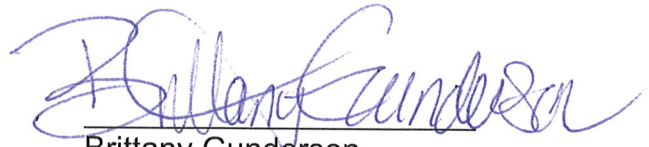
Awards and Acknowledgements

We would like to commend the City of Moscow staff for their efficient and dedicated service in helping to prepare this report. We also wish to thank Steve McGeehan, Chairman, and the Board of Commissioners for their support in planning and conducting the financial operations of the Agency in a responsible and progressive manner. Credit must also be given to the Agency's auditors, Presnell Gage, PLLC, for their most valuable assistance in preparation of this report.

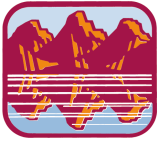
Respectfully submitted,



Bill J. Belknap
Executive Director



Brittany Gunderson
Agency Treasurer



INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Moscow Urban Renewal Agency
Moscow, Idaho

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Moscow Urban Renewal Agency, a component-unit of the City of Moscow, Idaho, as of and for the year ended September 30, 2017, 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 and each major fund of the Moscow Urban Renewal Agency as of September 30, 2017, and the respective changes in financial position thereof for the year then ended in conformity 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 the Management's Discussion and Analysis and budgetary comparison information on pages 10 through 17 and 23 through 24, respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Moscow Urban Renewal Agency, a component-unit of the City of Moscow, Idaho's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 2018, on our consideration of the Moscow Urban Renewal Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Moscow Urban Renewal Agency's internal control over financial reporting and compliance.

PRESNELL GAGE PLLC
February 15, 2018

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section offers readers an overview and analysis of the fiscal year 2017 financial activities of the Moscow Urban Renewal Agency (hereafter "the Agency") of the City of Moscow, Idaho. It should be read in conjunction with the Agency's audited financial statements, which follow this section.

2017 FINANCIAL HIGHLIGHTS

- The Agency's total net position was \$1,235,348.
- The Agency's liabilities at September 30, 2017 were \$579,086.
- The Agency's total year-end fund balances were \$1,007,965.
- The property tax revenue generated from within the Legacy Crossing District, for the tax year 2016 valuation increase of \$9,097,017, was \$179,343, or 2% of the total assessed valuation increase since the formation of the District in 2008. Property tax increment revenues are calculated on the change in property valuations as assessed by the Latah County Assessor.
- The Agency completed the active construction phase of the environment remediation of the Sixth and Jackson property and received the Certificate of Completion and Covenant Not to Sue from the State of Idaho, Department of Environmental Quality in April of 2017, clearing the way for future development on the site.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency's annual financial report consists of several sections. Taken together, they provide a comprehensive overview of the Agency's activities. The sections of the report are as follows:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview, and economic factors affecting the Agency.

Basic Financial Statements. This section includes the Agency-wide financial statements, fund financial statements, and notes to the financial statements. Agency-wide financial statements consist of the statement of net position and the statement of activities and utilize the accrual basis of accounting. The statements are intended to be more business-oriented and assist in assessing the *operational accountability* of the entity. The fund financial statements are similar to the Agency-wide statements, however, they use the modified accrual basis of accounting and focus on the *fiscal accountability* of the entity.

Agency-Wide Statements

- The statement of net position found on page 18 focuses on resources available for future operations. This statement presents a snapshot view of the assets the Agency owns, the liabilities it owes and the net difference. The net difference is further separated into amounts indicating the agency's assets, net of debt, restricted for debt service, and unrestricted amounts.
- The statement of activities found on page 19 focuses on gross and net costs of the Agency's programs and the extent to which such programs rely upon property tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements

- The balance sheet located on page 20 is similar to the statement of net position; however, the balance sheet omits long-term assets and long-term liabilities. This format helps assess current assets, which are available to meet current liabilities and debt service payments. Also, there is a reconciliation of the balance sheet and the statement of net position, which outlines why there are differences in the two statements.

There are three statements of revenues, expenditures, and changes in fund balances on pages 21, 23, and 24. The statement on page 22 reconciles the differences to the Agency-wide statement of activities. The statement on page 23 has the budget-to-actual revenues and expenditures for the year for the general fund and helps in assessing whether the Agency raised and spent funds according to the budget plan. The statement on page 24 reflects the statement of revenues, expenditures, and changes in fund balances for the Legacy Crossing District Fund.

Notes to the Basic Financial Statements

- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Agency's financial condition.

Report by the Independent Certified Public Accountants

- The report by the independent certified public accountants includes supplemental communication on the Agency's compliance and internal controls as required by Idaho statutes.

MAJOR AGENCY INITIATIVES IN FISCAL YEAR 2017

Legacy Crossing District. The Agency owns a lot located at the southwest corner of the intersection of Sixth and Jackson Streets in Moscow, within the Legacy Crossing District. The Agency's primary focus is the redevelopment of the property through continued environmental assessment/remediation and facilitating the construction of improvements in conformance with the Legacy Crossing Plan. The Sixth and Jackson property is one of the beneficiaries of an EPA Brownfield Assessment Grant and underwent testing throughout 2014 to develop a remediation plan to remove contaminated soils in order to prepare the property for redevelopment.

On May 29, 2013, the Agency was awarded an EPA Hazardous Substances Cleanup Grant to fund the removal of the contaminated soils. The active cleanup construction was completed in the fall of 2016 and the Agency received the Certificate of Completion and Covenant Not to Sue from the State of Idaho, Department of Environmental Quality in April 2017. In response to an RFP issued in the fall of 2014, Sangria Downtown LLC, was selected as the successful respondent, and in April of 2015, the Agency entered into an Exclusive Negotiation Agreement (ENA) with Sangria Downtown LLC. The goal of the ENA is to provide a process for negotiating a Disposition and Development Agreement (DDA) to formally document terms of transactions and responsibilities of the parties. The DDA was approved by the Agency's Board on October 26, 2017. Sangria Downtown LLC, is currently finalizing their development plans with construction scheduled to begin in the spring/summer of 2018.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

As part of the creation of the Legacy Crossing District, all the parcels were given a base value premised on the 2008 property values. Assessed values above the 2008 base for those parcels benefit the District. Once the Area is established, a tax code area is created that identifies those taxing entities levying taxes within the Area. Beginning in 2009, any increase in the properties assessed values times the levies, generates tax increment revenue for the District. The assessment process utilized by the County for three subsequent years (from the base year of 2008) used certain software developed and provided by the Idaho State Tax Commission. It was determined that the software during this three-year period of time experienced a "glitch" that needed to be manually overridden by the Latah County Assessor's office in order to have prevented an over allocation of value. The Agency has no part of the assessment process or establishment of the various tax levies.

Following the 2012 property tax assessment process, the County contended that the Agency received an over payment of \$114,537 of property tax receipts over the three-year period. A settlement agreement between the Agency and Latah County was reached to provide for a schedule of repayment of the property taxes. The remaining balance at September 30, 2017, was \$105,037.

Alturas Technology Park. Following the recommendation of Resolution 2015-02 to terminate the Alturas Technology Park revenue allocation area, the Moscow City Council passed Ordinance 2015-15 terminating the Alturas revenue allocation area in 2015.

The Agency continues to hold six undeveloped lots within the Alturas Technology Park. As real estate market conditions continue to improve, the Agency continues to market the remaining six lots in the Alturas Technology Park District targeting markets like agribusiness, biotechnology, software/IT, institutes and associations, and young technology professionals. Towards that end, the Agency has entered into an agreement with Palouse Commercial Real Estate for real estate brokerage services to assist the Agency with the marketing and sale of the remaining lots.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Trends in the Urban Renewal Agency's Net Position

	2017	2016	2015
Assets			
Current and other assets	\$ 603,758	\$ 637,755	\$ 1,403,227
Capital assets	<u>1,210,676</u>	<u>1,187,512</u>	<u>1,474,301</u>
Total assets	<u>1,814,434</u>	<u>1,825,267</u>	<u>2,877,528</u>
Deferred outflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
Liabilities			
Current liabilities	158,549	65,213	32,652
Long-term liabilities	<u>420,537</u>	<u>452,037</u>	<u>482,537</u>
Total liabilities	<u>579,086</u>	<u>517,250</u>	<u>515,189</u>
Deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>
Net position			
Net investment in capital assets	376,732	326,568	588,357
Restricted debt service	44,312	44,312	44,312
Unrestricted	<u>814,304</u>	<u>937,137</u>	<u>1,729,670</u>
Total net position	<u>\$ 1,235,348</u>	<u>\$ 1,308,017</u>	<u>\$ 2,362,339</u>

The Agency's total assets for 2017 exceeded its liabilities by \$1,235,348. The total capital assets are \$679,420. The capital assets consist of land, infrastructure for water, sewer, curbs and sidewalks, street lighting, and paving.

Outstanding Debt. At the end of fiscal year 2017, the Agency had total outstanding bonded debt of \$347,000 as noted on page 31. These bonds are limited obligations of the Agency for the Legacy Crossing District. Additional information on the Agency's long-term debt can be found in Note 6 in the notes to the financial statements.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Trends in the Urban Renewal Agency's Changes in Net Position

	2017	2016	2015
Revenues:			
General revenues:			
Property tax	\$ 179,343	\$ 179,552	\$ 586,757
Other revenues:			
Investment income	4,116	3,842	4,964
Disposal of asset (loss)		(432,679)	
Grants and contributions	<u>14,724</u>	<u>145,940</u>	<u>4,513</u>
Total revenues	<u>198,183</u>	<u>(103,345)</u>	<u>596,234</u>
Expenditures:			
Project administration	256,316	935,345	129,091
Depreciation			58,489
Interest expense	<u>14,536</u>	<u>15,632</u>	<u>24,376</u>
Total expenditures	<u>270,852</u>	<u>950,977</u>	<u>211,956</u>
Change in net position	(72,669)	(1,054,322)	384,278
Net position, beginning	<u>1,308,017</u>	<u>2,362,339</u>	<u>1,978,061</u>
Net position, ending	<u>\$ 1,235,348</u>	<u>\$ 1,308,017</u>	<u>\$ 2,362,339</u>

The increase in interest income reflects changes in the market value of investment bonds held by the Agency, and fluctuations in the interest rates effective during the fiscal year. The decrease in project administration expense is due to the termination related expenditures for the closure of the Alturas Technology Park District occurring in fiscal year 2016; no such terminations occurred in fiscal year 2017. The Agency implements all Governmental Accounting Standards Board (GASB) pronouncements so that we are in compliance with the accounting standards for governments. Additional information comparing the Agency's budgeted to actual expenditures can be found in the statement of revenues, expenditures, and changes in fund balances on pages 21, 23, and 24.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO**MANAGEMENT'S DISCUSSION AND ANALYSIS****FUND FINANCIAL ANALYSIS****Trends in the Urban Renewal Agency's Balance Sheet**

	2017	2016	2015
ASSETS			
Cash and investments	\$ 596,073	\$ 608,254	\$ 1,398,714
Accounts receivable	2,425	29,501	4,513
Other assets	5,260		
Land held for sale	<u>531,256</u>	<u>531,256</u>	<u>531,256</u>
Total assets	<u>1,135,014</u>	<u>1,169,011</u>	<u>1,934,483</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
Total assets and deferred outflows of resources	<u>\$ 1,135,014</u>	<u>\$ 1,169,011</u>	<u>\$ 1,934,483</u>
LIABILITIES	<u>\$ 127,049</u>	<u>\$ 34,713</u>	<u>\$ 5,652</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and deferred inflows of resources	<u>127,049</u>	<u>34,713</u>	<u>5,652</u>
FUND BALANCE			
Nonspendable	531,256	531,256	531,256
Restricted	44,312	44,312	44,312
Assigned	375,013	80,855	1,302,302
Unassigned	<u>57,384</u>	<u>77,875</u>	<u>50,961</u>
Total fund balance	<u>1,007,965</u>	<u>1,134,298</u>	<u>1,928,831</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,135,014</u>	<u>\$ 1,169,011</u>	<u>\$ 1,934,483</u>

The significant increase in liabilities is a result of increased accounts payable due to timing of year-end invoices related to Sixth and Jackson engineering expenditures. Accumulated funding has also been set aside for improvements to the Agency's lot located at the southwest corner of the intersection of Sixth and Jackson Streets, which have been carried forward while the Agency continues the environmental clean-up/mitigation of this property. The \$44,312 of restricted fund balance represents the required bond reserve account balance for the Legacy Crossing District bonds.

ECONOMIC CONDITIONS AFFECTING THE AGENCY

Employment. The Latah County unemployment rate (not seasonally adjusted) for the month ending in September 2017 was 2.1 percent compared with 2.8 percent in September 2016. The September 2017 unemployment rate (not seasonally adjusted) of 2.1 percent was below a state unemployment rate of 2.5 percent and a national unemployment rate of 4.1 percent. ⁽¹⁾

Latah County saw employment expansion in the following sectors from March 2016 – March 2017⁽¹⁾:

- Professional and Technical Services (7.4 percent)
- Manufacturing (6.6 percent)
- Health Care Services (2.6 percent)
- Accommodation and Food Service (1.3 percent)
- Other Services (12.5 percent)
- Finance and Insurance (3.8 percent)
- Arts, Entertainment and Recreation (4.5 percent)

Latah County saw employment retractions in the following sectors: ⁽¹⁾

- Educational Services (-4.8 percent)
- Construction (-8.9 percent)
- Retail Trade (-2.8 percent)
- Real Estate and Leasing (-3.9 percent)

Real Estate:

- The average home sale price in Latah County increased 4.2 percent from \$212,142 in 2016 to \$221,197 in 2017 after a 3.8 percent decrease the prior year. ²
- The average home sale price in the City of Moscow increased 5.7 percent from \$216,304 in 2016 to \$228,782 in 2017, after a 3.2 percent decrease the prior year. ²

Tourism:

- Latah County transient occupancy tax increased in 2017 by 3.5 percent over 2016 (calendar year). ³

Building Permits:

- Total permitted construction value in the City of Moscow increased from \$18.7 million in 2016 to \$40.7 million in calendar year 2017. ⁴

¹U.S. Bureau of Labor Statistics

² Latah County MLS

³ Idaho Department of Commerce, Tourism Department

⁴ City of Moscow Community Development Department.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Urban Renewal and Tax Increment Financing (TIF). The State of Idaho offers few financial incentives for economic development. Urban renewal and tax increment financing is one of the few economic development tools available to local governments in Idaho.

As an urban renewal agency, the Agency receives tax increment revenues calculated on the assessed value over the frozen base, which is set at the time of creation of an urban renewal district. When the Agency completes public improvements in association with an urban renewal plan, the Agency is investing in the local community and economy helping to increase property values and economic activity in the community. Because states are cutting or delaying aid to local governments in significant numbers, transferring costs from themselves to their cities, counties, and K-12 schools, and in some cases additionally passing laws that limit the local government's ability to raise taxes, urban renewal and tax increment financing are vital economic development programs in Idaho.

The Alturas Technology Park District revenue allocation area was closed in the 2016 fiscal year. As a result of the closure, the \$22 million in increased property value that has occurred as a result of the Agency's investment in Alturas will be available to the taxing districts and will continue to provide long-lasting economic benefit to the City of Moscow and the region. Building on the success of the Alturas Technology Park District, the Legacy Crossing District was created in 2008 to provide a vision and direction for the redevelopment of an obsolete railroad corridor adjacent to downtown Moscow, and to increase economic opportunities for the community.

The Legacy Crossing District will have long-term positive impacts on the community and the Agency's financial status. The reurbanization of inner-city districts, particularly those with land uses transitioning from industrial uses to mixed-uses, requires an extended planning horizon. Redevelopment activities continue on the Agency-owned property located at the southwest corner of the intersection of Sixth and Jackson Streets, including the completion of environmental remediation activities and the planning for redevelopment of the site by Sangria Downtown LLC.

The 2016 residential construction valuation of \$13.3 million exceeded commercial construction values of \$5.3 million, which indicates that residential markets are beginning to recover from the effects of the Great Recession of 2009.

No new lot sales were completed in the Alturas Technology Park for fiscal year 2017. In general, the technology park continues to be challenged and other commercial activity in Moscow is generally comprised of new restaurants or office buildings located in existing buildings or new construction outside of Alturas. There are a limited number of existing commercial properties available in Moscow for companies to choose from and most would require a substantial reinvestment. So, as national and economic conditions continue to improve, the Agency anticipates greater interest in the Agency's lots in Alturas Technology Park.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Moscow Urban Renewal Agency Treasurer, P.O. Box 9203, Moscow, Idaho, 83843.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF NET POSITION
September 30, 2017

	Governmental Activities
ASSETS	
Cash and investments	\$ 596,073
Receivables	2,425
Land held for sale	531,256
Other assets	5,260
Capital assets	
Land	679,420
Total assets	<u>1,814,434</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>
LIABILITIES	
Accounts payable	122,049
Deposit payable	5,000
Series 2010 Bond - due within one year	28,000
Latah County payback agreement - due within one year	3,500
Series 2010 Bond - due after one year	319,000
Latah County payback agreement - due after one year	101,537
Total liabilities	<u>579,086</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>
NET POSITION	
Net investment in capital assets	376,732
Restricted	
Debt service	44,312
Unrestricted	814,304
Total net position	<u>\$ 1,235,348</u>

See accompanying notes

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2017

		Program Revenues	Net Revenue (Expense) and Changes in Net Position
	Expenses	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES			
Project administration	\$ 256,316	\$ 14,724	\$ (241,592)
Interest expense	14,536		(14,536)
Total governmental activities	<u>\$ 270,852</u>	<u>\$ 14,724</u>	<u>(256,128)</u>
GENERAL REVENUES			
Property taxes levied for general purposes			179,343
Investment income/losses			4,116
Total general revenues			<u>183,459</u>
Change in net position			(72,669)
NET POSITION, beginning of year			<u>1,308,017</u>
NET POSITION, end of year			<u>\$ 1,235,348</u>

See accompanying notes

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2017

	General	Legacy Crossing District	Total
ASSETS			
Cash and investments	\$ 60,369	\$ 535,704	\$ 596,073
Receivables		2,425	2,425
Other assets		5,260	5,260
Land held for sale	531,256		531,256
Total assets	<u>591,625</u>	<u>543,389</u>	<u>1,135,014</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
Total assets and deferred outflows of resources	<u>\$ 591,625</u>	<u>\$ 543,389</u>	<u>\$ 1,135,014</u>
LIABILITIES			
Accounts payable	\$ 2,981	\$ 119,068	\$ 122,049
Deposit payable		5,000	5,000
Total liabilities	<u>2,981</u>	<u>124,068</u>	<u>127,049</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE			
Nonspendable	531,256		531,256
Restricted for debt service		44,312	44,312
Assigned		375,009	375,009
Unassigned	57,388		57,388
Total fund balance	<u>588,644</u>	<u>419,321</u>	<u>1,007,965</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 591,625</u>	<u>\$ 543,389</u>	<u>\$ 1,135,014</u>
RECONCILIATION OF THE STATEMENT OF NET POSITION TO THE BALANCE SHEET - GOVERNMENTAL FUNDS			
Total fund balance - Governmental Funds			\$ 1,007,965
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are financial resources and, therefore, are not reported in the funds			679,420
Long-term liabilities, consisting of bonds payable and tax repayment agreement, are due and payable in the current period and, therefore, are not reported in the funds			<u>(452,037)</u>
Total net position - Governmental Activities			<u>\$ 1,235,348</u>

See accompanying notes

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2017

	<u>General</u>	<u>Legacy Crossing District</u>	<u>Total</u>
REVENUES			
Property taxes		\$ 179,343	\$ 179,343
Grants and contributions		14,724	14,724
Investment income/losses	\$ 4,116		4,116
Total revenues	<u>4,116</u>	<u>194,067</u>	<u>198,183</u>
EXPENDITURES			
Current			
Legal and professional fees	8,007	9,023	17,030
Insurance	1,507		1,507
Advertising	293		293
Management services	46,350		46,350
Repairs and maintenance	2,974		2,974
Land incentive agreement		27,111	27,111
Development participation		157,340	157,340
Other administration expenses	472	3,239	3,711
Debt Service			
Principal retirement		30,500	30,500
Interest		14,536	14,536
Capital outlay			
Land		23,164	23,164
Total expenditures	<u>59,603</u>	<u>264,913</u>	<u>324,516</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(55,487)</u>	<u>(70,846)</u>	<u>(126,333)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers	35,000	(35,000)	0
Total other financing sources (uses)	<u>35,000</u>	<u>(35,000)</u>	<u>0</u>
Net change in fund balances	(20,487)	(105,846)	(126,333)
FUND BALANCES AT BEGINNING OF YEAR	<u>609,131</u>	<u>525,167</u>	<u>1,134,298</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 588,644</u></u>	<u><u>\$ 419,321</u></u>	<u><u>\$ 1,007,965</u></u>

See accompanying notes

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2017

Net change in fund balances - Governmental Funds \$ (126,333)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Current year capital outlay 23,164

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Principal payments made on long-term debt 30,500

Change in net position - Governmental Activities \$ (72,669)

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
GENERAL FUND
Year Ended September 30, 2017

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income/losses	\$ 1,000	\$ 4,116	\$ 3,116
Total revenues	<u>1,000</u>	<u>4,116</u>	<u>3,116</u>
EXPENDITURES			
Current			
Legal and professional fees	12,000	8,007	3,993
Insurance	1,650	1,507	143
Advertising	5,000	293	4,707
Management services	46,350	46,350	0
Repairs and maintenance	5,000	2,974	2,026
Other administration expenses	<u>3,000</u>	<u>472</u>	<u>2,528</u>
Total expenditures	<u>73,000</u>	<u>59,603</u>	<u>13,397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(72,000)</u>	<u>(55,487)</u>	<u>16,513</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers	<u>64,000</u>	<u>35,000</u>	<u>(29,000)</u>
Total other financing sources (uses)	<u>64,000</u>	<u>35,000</u>	<u>(29,000)</u>
Net change in fund balances	(8,000)	(20,487)	(12,487)
FUND BALANCES BEGINNING OF YEAR	<u>8,000</u>	<u>609,131</u>	<u>601,131</u>
FUND BALANCES END OF YEAR	<u>\$ 0</u>	<u>\$ 588,644</u>	<u>\$ 588,644</u>

See accompanying notes

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
LEGACY CROSSING DISTRICT FUND
Year Ended September 30, 2017

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 182,500	\$ 179,343	\$ (3,157)
Grants and contributions		14,724	14,724
Total revenues	<u>182,500</u>	<u>194,067</u>	<u>11,567</u>
EXPENDITURES			
Current			
Legal and professional fees	21,790	9,023	12,767
Advertising	2,000		2,000
Land incentive agreement	8,300	27,111	(18,811)
Development participation		157,340	(157,340)
Other administration expenses	4,000	3,239	761
Debt service			
Principal retirement	376,000	30,500	345,500
Interest	17,286	14,536	2,750
Capital outlay			
Land		23,164	(23,164)
Improvements	501,825		501,825
Contingency	15,000		15,000
Total expenditures	<u>946,201</u>	<u>264,913</u>	<u>681,288</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(763,701)</u>	<u>(70,846)</u>	<u>692,855</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale	500,000		(500,000)
Operating transfers	(64,000)	(35,000)	29,000
Total other financing sources (uses)	<u>436,000</u>	<u>(35,000)</u>	<u>(471,000)</u>
Net change in fund balances	(327,701)	(105,846)	221,855
FUND BALANCES BEGINNING OF YEAR	<u>327,701</u>	<u>525,167</u>	<u>197,466</u>
FUND BALANCES END OF YEAR	<u>\$ 0</u>	<u>\$ 419,321</u>	<u>\$ 419,321</u>

See accompanying notes

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The Moscow Urban Renewal Agency (the “Agency”), a component unit of the City of Moscow, Idaho, was organized on June 19, 1995, under the Idaho Urban Renewal Law, Chapter 20, Title 50 of the *Idaho Code*. As such, the Agency acts as a legal entity, separate and distinct from the City of Moscow, even though members of the City Council also serve as members of the Agency’s governing board. However, the Agency is considered a component unit of the City of Moscow due to the oversight authority of the City Council.

The actions of the Agency are binding, and business, including the incurrence of long-term debt, is routinely transacted in the Agency’s name by its appointed representatives. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property, public improvements, and revitalization activities in those areas of the City determined to be in a declining condition, which are in a redevelopment project area.

The Alturas Technology Park was the Agency’s first project. Phase I of the project was constructed during 1997 and 1998, and consists of six saleable lots and a public park. Construction of Phase II began in the fall of 2005. The Moscow Urban Renewal Agency closed the Alturas Technology Park Tax Allocation Area in 2016 and contributed public infrastructure capital assets to the City of Moscow.

During the fiscal year ended September 30, 2008, a central portion of the City of Moscow was declared a deteriorating area. A second urban renewal district was defined and named Legacy Crossing District. During the course of fiscal year 2007-2008, a plan was written, public comment was obtained, and a feasibility study conducted. The final Legacy Crossing Urban Renewal District plan was accepted by the City Council in June 2008 and filed as approved by the Idaho State Tax Commission in August 2008. During fiscal year 2009-2010, the Agency issued bonds to finance the purchase of the land relating to Legacy Crossing District.

Measurement Focus and Basis of Accounting. The financial statements of the Moscow Urban Renewal Agency have been prepared in accordance with accounting principles generally accepted in the United States of America 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 Agency uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Agency considers revenues as available if they are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of net position/fund balance restrictions when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB #54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB #54 requires the fund balance amounts to be properly reported within one of the fund balance categories below:

Nonspendable

Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted

Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed

Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned

Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned

Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency-Wide Financial Statements. The statement of net position and the statement of activities display information about the overall Agency. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the Agency since there are no “business-type activities” within the Agency. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the Agency’s sole function of economic development within the Agency boundaries. 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. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the Agency’s funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The Agency has only governmental-type funds. Because there are only two funds, they are both presented on the face of the fund financial statements.

Basis of Presentation. The Agency uses the following governmental funds:

General Fund – This fund was created by the Agency, separate and apart from all other funds of the Agency, designated the “General Fund,” into which shall be deposited the excess interest revenues earned and incremental tax revenues received each year, after the provision has been made for payment of principal and interest on the bonds. The provision is determined by the Board and is sufficient to pay the costs of administration of the Agency for the fiscal year.

Legacy Crossing District Fund – This fund was created by the Agency as a special fund held by the Agency, separate and apart from all other funds of the Agency, designated the “Legacy Crossing District Fund.” All incremental tax revenues relating to each individual project area shall be deposited promptly upon receipt by the Agency into the associated fund and shall be used only for the following purposes and in the following order of priority:

- First, to pay the interest on the bonds and notes payable relating to the associated project.
- Second, to pay the principal of the bonds and notes payable relating to the associated project.
- Third, to fund the general fund.
- Fourth, to fund construction in the project areas for plans as legally approved by the Moscow Urban Renewal Agency Commission.
- Fifth, for any lawful purpose of the Agency.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates. The Agency uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that the Agency uses.

Budgets. As required by Idaho law, the Agency has adopted a budget, which is presented on the face of the financial statements.

Deposits and Investments. Cash is invested by the Agency until it is needed for the purpose of maximizing investment earnings. The investments are reported at fair value at September 30, 2017. The fair value is combined with the checking account balance and is presented as cash and investments.

Land Held for Sale. Land held for sale consists of properties purchased with the intent to sell the properties in the short-term. Land held for sale is stated at the lower of cost or fair market value. Land held for sale is not depreciated or amortized.

Capital Assets. Capital assets are long lived assets of the Agency as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The Agency records all capital assets at their original cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets consist of land relating to the Legacy Crossing District.

Long-Term Obligations. Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for early payment in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability.

Personnel. The Agency employs no personnel and, thus, has no liability disclosures for pension costs, employee compensated absence or payroll tax accruals. The Agency agrees to pay \$46,350 to the City of Moscow for services provided through City Administration, Public Works, Finance, and Community Development departments. Additionally, the Agency retains an Executive Director whose duties and responsibilities are equally separated from the City's Community Development Director. The Agency contracts with the City for the Executive Director's services, as stipulated in the City Services Agreement between the City and the Agency.

2. PROPERTY TAXES

In accordance with Idaho law, property taxes are levied in dollars in September for each calendar year. Levies are made on or before the second Monday of September. One-half of the property taxes are due on or before December 20th, and the remaining one-half is due on or before June 20th of the following year. A lien is filed on property after three years from the date of delinquency.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

2. PROPERTY TAXES (CONTINUED)

The Agency has no direct taxing power. The agency receives property taxes based upon the increase in assessed value of property caused by construction and growth in valuation since the base year. All taxing districts within the tax allocation area receive property tax revenue from their respective tax rate at the base year's assessed value. The assessed property value of the Legacy Crossing District in the base years was \$47,710,183. Each year since the base year, the assessed valuation has grown due to new construction, remodeling, or growth in value.

The increased valuation since the base year and the related property tax increment is listed as follows:

Tax Year	Legacy Crossing District	
	Valuation Increase	Tax Revenue
2008	Base Year	
2009	\$ 3,345,847	\$ 53,020
2010	8,377,408	129,830
2011	8,958,913	144,052
2012	5,449,902	97,548
2013	5,757,256	116,809
2014	8,170,320	179,241
2015	8,760,571	179,552
2016	9,097,017	179,343
2017	11,903,272 (preliminary)	182,500 (estimated)

3. CASH AND INVESTMENTS

At September 30, 2017, the carrying amount of the Agency's cash deposits was \$35,330, and the bank balance was \$35,580. The entire cash balance is FDIC insured.

As of September 30, 2017, the Agency had the following investments and maturities:

	Less than 1	1-5	Greater than 5	Interest Rate	Fair Value
Governmental Activities					
Cash and equivalents	\$ 44,361			0.00	\$ 44,361
Idaho State Treasurer's					
Local Government					
Investment Pool	516,382			1.17	516,382
Total investments	<u>\$ 560,743</u>	<u>\$ 0</u>	<u>\$ 0</u>		<u>\$ 560,743</u>

Interest rate risk: In accordance with its investment policy, the Agency manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Credit risk: As of September 30, 2017, the Agency's investment in the Idaho State Treasurer's Local Government Investment Pool is unrated. The Agency's investments held through Zions Bank are AAA rated by Moody's Investor Service and are implicitly guaranteed by the U.S. government.

Concentration of credit risk: The Agency's investment policy states that the Agency shall mitigate concentration risk by:

1. Limiting investments to avoid over concentration in securities from a specific issuer or business sector,
2. Limiting investment in securities that have higher credit risks,
3. Investing in securities with varying maturities, and
4. Continuously investing a portion of the portfolio in readily available funds such as the State Treasurer's Local Government Investment Pool, government-sponsored agencies, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency's policies include investments approved by *Idaho Code* 50-1013, which limit custodial credit by purchasing marketable securities by an implied guarantee of the United States of America, and the Agency uses brokers that qualify under Securities & Exchange Commission *Rule 15C3-1*.

4. LAND HELD FOR SALE

As of September 30, 2017, land held for sale, which is stated at the lower of cost or fair value, consists of six lots within the Alturas Technology Park. It is intended that these lots be disposed of by way of sale and steps have been taken for this purpose. The value of these lots was \$531,256 at September 30, 2017.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

5. CAPITAL ASSETS

Capital assets consist of land, infrastructure for water, sewer, curbs and sidewalks, street lighting, and paving. Activity for the year ended September 30, 2017, was as follows:

	Beginning Balance 10/01/16	Increases	Decreases	Ending Balance 09/30/17
Capital assets not being depreciated				
Land	\$ 656,256	\$ 23,164		\$ 679,420
Total assets not being depreciated, net	656,256	23,164		679,420
Total assets being depreciated, net	0	0	0	0
Governmental activities capital assets, net	\$ 656,256	\$ 23,164	\$ 0	\$ 679,420

6. LONG-TERM OBLIGATIONS

The following is a summary of debt transactions of the Agency for the fiscal year ended September 30, 2017:

	Series 2010 Revenue Allocation Bond	Total
Debt payable, 9/30/16	\$ 374,000	\$ 374,000
Additions		0
Principal payments	(27,000)	(27,000)
Debt payable, 9/30/17	\$ 347,000	\$ 347,000

Debt outstanding at September 30, 2017, consisted of the following:

Revenue Allocation Bonds - Series 2010 - \$510,000 Revenue Allocation (Tax Increment) Bonds due in annual installments, with an interest rate at September 30 of 4.39 percent.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS (CONTINUED)

At September 30, 2017, the annual debt service requirements to maturity, assuming current interest rates, are as follows:

Year Ending September 30	Series 2010	
	Principal	Interest
2018	\$ 28,000	\$ 15,999
2019	29,000	14,591
2020	31,000	13,057
2021	32,000	11,370
2022	34,000	9,965
2023-2027	193,000	26,165
	<u>\$ 347,000</u>	<u>\$ 91,147</u>

Revenue Allocation Bonds are limited obligations of the Agency and are not general obligations of the Agency or the City of Moscow, Idaho. These bonds and other issued debt and the related interest are payable solely from property tax revenues from the designated project fund, reserve funds, and any unobligated funds of the Agency.

The total interest expense in 2017 amounted to \$14,536 in the governmental funds.

The Agency also agreed to a long-term payback agreement with Latah County, Idaho, for the repayment of \$114,537 of property taxes received in prior years (see note 8 for details). The payback agreement calls for annual installment payments over 15 years with no interest. At September 30, 2017, the annual required payments to Latah County are as follows:

Year Ending September 30	Tax Repayment Agreement
2018	\$ 3,500
2019	3,500
2020	3,500
2021	5,000
2022	5,000
2023-2027	37,000
2028-2029	47,537
	<u>\$ 105,037</u>

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

7. FUND BALANCE CLASSIFICATIONS

Nonspendable. Nonspendable fund balances represent amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. The Agency's nonspendable fund balance consists of land that is held for resale and is not considered to be in a spendable form.

Restricted. Restricted net position/fund balances represent amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Restrictions for the Agency include resources of the Legacy Crossing District that are set aside for the specific purpose of satisfying debt service requirements set forth by the Agency's individual bond related covenants.

Assigned. The fund balances classified as assigned are for use for specific purposes but do not rise to the level of restricted or committed. The Agency has assigned balances that include the activities of the special revenue fund.

Unassigned. The unassigned fund balance is in the general fund and has not been restricted, committed, or assigned to specific purposes within the general fund.

8. PROPERTY TAX REPAYMENT AGREEMENT

As part of the creation of the Legacy Crossing District, all the parcels were given a base value premised on the 2008 property values. Assessed values above the 2008 base for those parcels benefit the District. Once the Area is established, a tax code area is created that identifies those taxing entities levying taxes within the Area. Beginning in 2009, any increase in the properties' assessed values times the levies, generates tax increment revenue for the District. The assessment process utilized by the County for three subsequent years from the base year of 2008 used certain software developed and provided by the Idaho State Tax Commission. It was determined that the software during this three-year period of time experienced a "glitch" that needed to be manually overridden by the Latah County Assessor's office in order to have prevented an over allocation of value. The Agency has no part of the assessment process or the establishment of the various tax levies.

Following the 2012 property tax assessment process, the County notified the Agency that after a review of the assessment process for the past three years, the District had been allocated too much assessed value. Disclosure note 2 on page 30 identifies these changes. The County determined that the Agency received an overpayment of \$114,537 of property tax receipts over a three-year period. The remaining balance at September 30, 2017 was \$105,037.

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

NOTES TO FINANCIAL STATEMENTS

9. COMMITMENTS AND CONTINGENCIES

On September 21, 2011, the Agency entered into an Owners Participation Agreement (OPA) with Anderson Group, LLC, the developer of 625 South Jackson Street – in the Agency's Legacy District. The Agency's financial participation is an anticipated amount not to exceed \$110,785 of public improvements and site remediation, without interest. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. Payment will be made in semi-annual installments in the amount of 50 percent of the tax increment revenue generated from the additional assessed value resulting from the development completed by the developer. Payments will only occur upon receipt of tax increment revenue and will continue until the principal has been paid or December 31, 2032, whichever occurs first. Payments made during fiscal year 2017 totaled \$9. As of September 30, 2017, a total of \$65 has been paid to the developer.

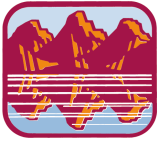
On September 16, 2014, the Agency entered into an OPA with 409 S. Jackson St., LLC, the developer of 409 South Jackson Street – in the Agency's Legacy District. The Agency's financial participation is an anticipated amount not to exceed \$45,000 of public improvements and site remediation, without interest. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. Payment will be made in semi-annual installments in the amount of 50 percent of the tax increment revenue generated from the additional assessed value resulting from the development completed by the developer. Payments will only occur upon receipt of tax increment revenue and will continue until the principal has been paid or December 31, 2024, whichever occurs first. Payments made during fiscal year 2017 totaled \$8,019. At September 30, 2017, a total of \$24,368 has been paid to the developer.

On October 6, 2016, the Agency entered into an OPA with Darold L. Bingham and Ann D. Bingham Living Trust, the developer of 402 West Sixth Street – in the Agency's Legacy District. The Agency's financial participation is an anticipated amount not to exceed \$38,077 of public improvements and site remediation, without interest. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. Payment will be made in semi-annual installments in the amount of 50 percent of the tax increment revenue generated from the additional assessed value resulting from the development completed by the developer. Payments will only occur upon receipt of tax increment revenue and will continue until the principal has been paid or December 31, 2032, whichever occurs first. At September 30, 2017, a total of \$19,084 has been paid to the developer.

The Agency has negotiated the following future OPA agreements in the Legacy District, in anticipated amounts not to exceed:

FH Vandals LLC, developer of 1104 South Main Street	\$ 350,000
Gritman Medical Park, LLC, developer of 803 South Main Street	600,000
Larry A. Swanger, developer of 203 East Third Street	90,096

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT - GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Moscow Urban Renewal Agency
Moscow, 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 and each major fund of the Moscow Urban Renewal Agency as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Moscow Urban Renewal Agency's basic financial statements, and have issued our report thereon dated February 15, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Moscow Urban Renewal Agency'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 Moscow Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Moscow Urban Renewal Agency'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 Moscow Urban Renewal Agency's financial statements are free of 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 the 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PRESNELL GAGE PLLC

February 15, 2018

Moscow, Idaho



Amended and Restated Legacy Crossing Urban Renewal District Redevelopment Plan

July 16, 2018

City Council Resolution 2007-24
Adopted September 17, 2007

City Council Resolution 2008-05
Adopted February 19, 2008

Urban Renewal Agency Approval
Approved March 6, 2008

City Council Ordinance No. 2008-10
Adopted June 2, 2008

City Council Resolution 2018-05
Adopted April 2, 2018

Urban Renewal Agency Approval
Approved _____, 2018

City Council Ordinance No. ____
Adopted _____, 2018

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Amended and Restated Legacy Crossing Urban Renewal District Redevelopment Plan Moscow, Idaho

Section 100: Introduction

The City of Moscow is located in Northern Idaho and within Latah County. The City boundary is adjacent to the Idaho-Washington state border, and is about 8 miles from Pullman, Washington. Moscow and Pullman, Washington are homes to the University of Idaho, and Washington State University, respectively. The economies of both cities have historically been based on these educational institutions and on the surrounding region's agricultural industries.

The City of Moscow's first urban renewal district, Alturas Technology Park, was an Urban Renewal/Competitively Disadvantaged Border Community Area. Its redevelopment plan has fostered economic growth through diversification by establishing a research and technology park for location of appropriate businesses. The Alturas Technology Park Plan was terminated early, effective September 8, 2015.

The City's second urban renewal district, the Legacy Crossing District, was established in 2008 with the desire to eliminate conditions impeding the City's economic growth in an area located between Moscow's historic downtown and the University of Idaho campus, an area designated as Legacy Crossing. The Legacy Crossing District was intended to allow the Agency to proactively address issues creating static economic conditions by taking actions targeted toward improvement of both underdeveloped properties and those properties in transition. The focus of the district was to spur more rapid land use transition of properties from former agricultural and/or industrial uses to new uses, and thereby transform the area from its current economic liability toward economic vibrancy.

In 2015 the Moscow City Council adopted a strategic plan for the City. This strategic plan identified both internal and external challenges facing the community. The most significant of these challenges were identified as major challenge areas. One major challenge area that the City Council identified included the significantly deteriorated condition of the Main Street in downtown.

The City's Strategic Plan specifically stated that; *"Moscow's Downtown streetscape was constructed almost 35 years ago by means of the 1981 downtown Local Improvement District (LID). Except for the Friendship square renovation in 2006, the City has placed little investment in downtown infrastructure, and much of the streetscape is in poor condition. The planters, benches, light poles, and exposed aggregate treatments that were installed in 1981 are now dated and deteriorating. Downtown Moscow is a key asset that represents the city's unique character and quality of life which could, if renovated be leveraged to increase local economic activity, and attract new residents, students and business investment, but which is ineffective in its current condition."*

This Amended and Restated Legacy Crossing Urban Renewal District Plan provides for the amendment to the District's boundary to annex an adjacent 12 acre area located directly east of the eastern District boundary.

House Bill 606, effective July 1, 2016, amended the Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the "Law") and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act") confirming that a plan amendment to the Plan does not result in a reset of the base assessment roll values: "[f]or plans adopted or modified prior to July 1, 2016, and for subsequent modifications of those urban renewal plans, the value of the base assessment roll of property within the revenue allocation area shall be determined as if the modification had not occurred." Idaho Code § 50-2903(4). Further a plan amendment to accommodate a an increase in the revenue allocation area boundary as permitted in section 50-2033, Idaho Code is also an identified exception to the base reset requirement. Idaho Code § 50-2903A(1)(a)(ii).

What follows are details on the Amended and Restated Legacy Crossing Urban Renewal District Redevelopment Plan¹ (the "Plan") for the Legacy Crossing Plan Area (the "Project Area," which includes the original 2008 Project Area and a new 12-acre area adjacent and contiguous with the 2008 Project Area, referred to as the Main Street Project Area), as managed by the Moscow Urban Renewal Agency (the "Agency"), in the City of Moscow (the "City"), Latah County, state of Idaho. This plan consists of the text contained herein and the following attachments:

- Maps of the Project Area Boundary (Attachment 1) which is the same as the Revenue Allocation Area Boundary. "Revenue Allocation Area" means that portion of an urban renewal area which the local governing body has determined is likely to increase in equalized assessed valuation as a result of the initiation of an urban renewal project.
- Legal description of the Legacy Crossing Urban Renewal District Revenue Allocation Area (Attachment 2);
- Maps showing the area's current zoning (Attachment 3) in the same Project Area;
- Infrastructure needs for improvements within the Project Area, together with descriptions and costs estimates (Attachment 4);
- Economic Feasibility Study for the Legacy Crossing District (Attachment 5) which identifies the fiscal impact upon all taxing entities (including the City) of allocating tax increment resulting from increased valuations within the Project Area to the Agency for the life of the Plan, and which addresses the potential that the Agency may finance various improvements with bonds or other obligations;
- A listing of private properties which may be acquired by the agency (Attachment 6).

The term "Project" is used herein to describe the overall activities defined in this Plan, and the project conforms to the statutory definition of "urban renewal project." Reference is specifically made to Idaho Code §§ 50-2018(10) and 50-2903(13) for the various activities

¹ This Amended and Restated Legacy Crossing Urban Renewal District Redevelopment Plan is organized in a manner which, instead of showing new text underlined and text deleted as crossed out, simply restates in total the text of this Plan. Many of the tables and exhibits from the original 2008 Project Area are not repeated in this Plan for ease of review and analysis. Additionally, much of the financial information and improvement list has been replaced or superseded. The original work for the 2008 Project Area is available through the Agency or the City.

contemplated by the term "Project." Such activities include both private and public development of property within the Legacy Crossing Project Area. The term "Project" is not meant to refer to a specific activity or development scheme.

This Plan was prepared by consultants and staff of the Moscow Urban Renewal Agency (the "Agency"). The Plan was reviewed and recommended by the Agency Commission members, pursuant to the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code (the "Law"); the Local Economic Development Act, Chapter 29, Title 50, Idaho Code (the "Act"); and all applicable local laws and ordinances. The proposed redevelopment of the Legacy Crossing Project Area as described in this Plan conforms to the Comprehensive Plan of the City of Moscow, as adopted by the City Council.

Idaho Code § 50-2905 identifies what information the plan must include with specificity as follows:

- (1) A statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality;
- (2) A statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area;
- (3) An economic feasibility study;
- (4) A detailed list of estimated project costs;
- (5) A fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property on the revenue allocation area;
- (6) A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred;
- (7) A termination date for the plan and the revenue allocation area as provided for in section 50-2903(20), Idaho Code. In determining the termination date, the plan shall recognize that the agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the urban renewal plan; and
- (8) A description of the disposition or retention of any assets of the agency upon the termination date. Provided however, nothing herein shall prevent the agency from retaining assets or revenues generated from such assets as long as the agency shall have resources other than revenue allocation funds to operate and manage such assets.

This Plan includes the above information with specificity.

The Agency may create several planning documents over time that generally describe the overall Legacy Crossing Project and may identify certain specific public and private capital improvement projects. Because of the changing nature of the Project, these documents, by necessity, must be dynamic and flexible. These documents will be modified as economic

circumstances and market conditions warrant. These modifications shall not be deemed as an amendment of this Plan or its intent. No modification will be deemed effective if it is in conflict with this Plan. The planning documents are purposely flexible and do not constitute specific portions of the Plan.

Prior to the adoption of any planning document or proposed modification to any planning document, the Agency shall notify the City and publish a public notice of such proposed modification at least thirty (30) days prior to the consideration of such proposed modification, thus providing the City and any other interested person or entity an opportunity to comment on said proposed modification. The Agency Commission shall consider any such comments and determine whether to adopt the modification. The planning documents apply to redevelopment activity within the Legacy Crossing Project Area as described herein. In the event of any conflict between this Plan and the appended documents, the provisions of this Plan shall control. The Agency intends to rely heavily on any applicable City design standards which may cover all or part of the Legacy Crossing Project Area.

This Plan provides the Agency with powers, duties, and obligations designed to facilitate implementation of the Plan and to further the program generally formulated in this Plan for the redevelopment, rehabilitation, and revitalization of the area within the boundaries of the Project Area. The Agency retains all powers allowed by the Law and Act. Because of the long-term nature of this Plan and the need to retain in the Agency the flexibility to respond to market and economic conditions, property owner and developer interests, and opportunities from time to time presented for redevelopment, this Plan does not present a precise plan or establish specific projects for the redevelopment, rehabilitation, and revitalization of any area within the Project Area, nor does this Plan present specific proposals in an attempt to solve or alleviate the concerns and problems of the community relating to the Project Area.

Instead, this Plan presents a process and a basic framework within which specific plans will be presented, specific projects will be established and specific solutions will be proposed. Such process will identify tools provided to the Agency to fashion, develop, and proceed with such specific plans, projects, and solutions. Implementation of this Plan will require public co-investment to help stimulate desired private development. Typically, the public will fund enhanced public facilities such as streets, sidewalks, parking facilities, parks, public buildings, utilities, cultural facilities, and playgrounds or plazas which, in turn will create an attractive setting for adjacent private investment.

The Agency realizes that accommodating new civic and cultural uses in Legacy Crossing will require investment in appointments of parks and public spaces. The Agency intends to allocate a certain percentage of its annual district revenues toward funding such appointments as:

- Landscape development & open space development, including street trees
- Pedestrian scale lighting
- Signage and way-finding amenities
- Street furniture

and other appointments and investments it deems supportive of the Legacy Crossing Plan goals. In addition, in keeping with the Moscow community's designation as "Heart of the Arts" and recognizing the unique economic impacts of art in the community, the Agency will allocate a minimum of 1% of its annual Legacy Crossing Urban Renewal District increment revenues to public art projects.

The particular projects or redevelopment projects by private entities described herein are not intended to be an exclusive or exhaustive list of potential redevelopment activity. Allowed projects are those activities which comply with the Law and the Act and which meet the overall objectives of the Plan. The purposes of the Law and Act that will be attained through and with the major goals of this Plan are:

- a) The elimination of deficiencies in the Project Area, including, but not limited to, deteriorating or deteriorated, or inadequate public improvements and facilities;
- b) The assembly of land into parcels suitable for modern development in the Legacy Crossing Project Area, with appropriate setbacks, parking, pedestrian safety, and vehicular circulation;
- c) The re-planning, redesign, and development of undeveloped, or underdeveloped areas which may be stagnant or improperly utilized or which are in transition from one use to another;
- d) The strengthening of the economic base of the Legacy Crossing Project Area and the community, by the installation of needed public improvements and/or upgrading of facilities to accommodate or to stimulate new commercial expansion which supports environmentally sustainable projects and practices intended to promote minimum impact on the environment (including impacts on energy, transportation and water resources); and to stimulate employment and economic growth, and to enhance the variety of available residential housing options;
- e) The establishment and implementation of performance criteria to assure appropriate site design standards, including environmental quality and other design elements which provide unity and integrity to the entire Legacy Crossing Project Area;
- f) The strengthening of the tax base of the City and other taxing districts by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and the Project Area as a whole, and benefiting the various taxing districts in which the Legacy Crossing Project Area is located; and
- g) The creating of public spaces, public art, parks, trails and bike paths, and assorted green infrastructure.

Section 101: General Procedures of the Agency

The Agency is a public body, corporate and politic, as defined and described under the Law and the Act. The Agency is also governed by its bylaws as authorized by the Law and adopted by the Agency. Under the Law, the Agency is governed by the Idaho open meeting law, the Public Records Act; the Ethics in Government Act of 2015, Chapters 1, 2 and 4 of Title 74, Idaho Code; reporting requirements pursuant to Idaho Code §§ 67-450B, 67-450E and 50-

2913; and the competitive bidding requirements under Chapter 28, Title 67, Idaho Code, as well as other procurement or other public improvement delivery methods..

Generally, the Agency shall conduct all meetings in open session and allow meaningful public input as mandated by the issue considered or by any statutory or regulatory provision. Whenever it is stated in the Plan that the Agency may modify, change, or adopt certain policy statements or contents of the Plan not requiring a formal amendment to the Legacy Crossing Plan as required by the Law or the Act, it shall be deemed to mean a consideration by the Commission of such policy or procedure, duly noticed upon the Agency meeting agenda and considered by the Agency at an open public meeting and adopted by a majority of a quorum of the members present, unless any provision herein provides otherwise.

Section 102: Provisions Necessary to Meet State & Local Requirements

Section 102.1: Conformance with State of Idaho Urban Renewal Law of 1965, amended

The Law allows for an urban renewal plan to be submitted by any interested person or entity in an area certified as an Urban Renewal Area by the Moscow City Council. On February 19, 2008, by Resolution 2008-05, the Moscow City Council determined the Legacy Crossing area to be deteriorated or deteriorating as identified within the Greater Downtown Moscow Area Eligibility Report dated August 7, 2007. With the adoption of Resolutions 2007-24 and 2008-05 the preparation of an urban renewal plan was authorized.

In accordance with the Idaho Urban Renewal Law of 1965, the Plan was submitted to the Moscow Planning and Zoning Commission ("P&Z Commission") at a public meeting held on April 9, 2008. After consideration of the Plan, the P&Z Commission filed its recommendation with the City Council stating that the Plan is in conformity with the Comprehensive Plan of the City of Moscow on April 29, 2008.

Pursuant to the Law and the Act, the City Council having published due notice thereof, a public hearing was held on this Plan. Notice of the hearing was duly published in a newspaper having general circulation. The City Council adopted the Legacy Crossing Urban Renewal Plan on June 2, 2008, by Ordinance No. 2008-10.

On April 2, 2018, by the adoption of the Legacy Crossing District Main Street Boundary Amendment Eligibility Study and by Resolution 2018-05, the Moscow City Council determined the area annexed under the Amended and Restated Legacy Crossing Project Area to be deteriorated or deteriorating. With the adoption of Resolution 2018-05 the preparation of amended and restated urban renewal plan was authorized.

In accordance with the Idaho Urban Renewal Law of 1965, the Plan was submitted to the Moscow Planning and Zoning Commission ("P&Z Commission") at a public meeting held on _____, 2018. After consideration of the Plan, the P&Z Commission filed its recommendation with the City Council stating that the Plan is in conformity with the Comprehensive Plan of the City of Moscow on _____, 2018.

Pursuant to the Law and the Act, the City Council having published due notice thereof, a public hearing was held on this Plan. Notice of the hearing was duly published in a newspaper having

general circulation. The City Council adopted the Legacy Crossing Urban Renewal Plan on _____, by Ordinance No. _____.

Section 103: History & Current Conditions

The Legacy Crossing Project Area is considered to be deteriorated or deteriorating because of the presence of various conditions, most of which are related to public infrastructure. (These conditions are referred to with more specificity on Attachment 4.) Whether the infrastructure is older and needs to be replaced or upgraded, or such infrastructure has been determined to be grossly inadequate to serve planned new development, the result is the same: existing development is often discouraged from upgrading and expanding, and new development is often slowed or thwarted because of the inadequacy of necessary public infrastructure such as road connectivity or sewer capacity.

The preparation and approval of the Plan, including a revenue allocation financing provision, provides additional resources to solve the public infrastructure problems in this area. Revenue allocation financing, also known as tax increment financing, should help to improve the situation. In effect, property taxes generated by new developments within the area may be used by the Agency to finance a variety of needed public improvements and facilities. Finally, some of the new development in the Project Area may also generate new jobs in Moscow that would, in turn, benefit area residents and businesses.

Section 104: Purposes of Activities

The description of activities, public improvements, and the estimated costs of those items are intended to create an outside limit of the Agency's activity as it is now contemplated. The Agency reserves the right to change amounts from one category to another, as long as the overall total amount estimated is not substantially exceeded.

The items and amounts are not intended to relate to any one particular development, developer, or owner. Rather, the Agency intends to discuss and negotiate with any party, owner or developer who seeks Agency assistance in developing property according to the Plan. During such negotiation, the Agency will determine, on an individual basis, the eligibility of the activities sought for Agency funding, and the amount the Agency may fund by way of percentage or other criteria. The Agency will take into account the amount of revenue allocation proceeds (increment) estimated to be generated from a developer's activities. The Agency also reserves the right to establish, by way of policy, its funding percentage or participation, which would apply to all parties, owners and developers.

The activities listed in Attachment 4 are generally segregated by type and amounts funded, but the timing of such improvement may vary as funding depends to some extent on market forces. As required by the Law and Act, the Agency will adopt more specific budgets annually. Agency reserves the right to prioritize the several projects described in this Plan, and the Agency reserves the right to retain its flexibility in funding the various activities.

Throughout this Plan there are references to Agency activities, Agency funding, and the acquisition, development, and contribution of public improvements. Such references do not necessarily constitute a full, final, and formal commitment by the Agency but, rather, grant to the Agency the discretion to participate as stated subject to achieving the

objectives of this Plan and provided such activity is deemed eligible under the Law and the Act. In some respects the activities listed in Attachment 4 are concepts which will be determined or prioritized as the overall Project Area develops.

The Agency reserves the right to prioritize the projects described in this Plan. The Agency also reserves the right to retain its flexibility in funding the various activities. The Agency also reserves its discretion and flexibility in deciding which improvements should be funded and at what level, whether using its own funds or funds generated by other sources.

Section 200: Descriptions of Project Area

The boundaries of the Legacy Crossing Project Area and of the Revenue Allocation Area are synonymous, and are shown in Attachment 1 and described in Attachment 2, which are attached hereto and incorporated herein by reference. The Area starts at Henley Street and Highway 8 on the South, continues northwesterly along the eastern boundary of the University of Idaho to South Line Street, at which point the boundary doubles back along West Pullman Road to South Lieuallen Street, where it goes north to West A Street, then east to the easterly right of way of Main, then south along said right-of-way, south to West 8th Street, then southeasterly to Highway 8, east on White Place to Lynn Street, south to Paradise Creek, and finally northwesterly along the south side of Paradise Creek to Henley. For purposes of boundary descriptions and use of proceeds for payment of improvements, the boundary shall be deemed to extend to the other boundary of rights-of-way or other natural boundary.

Section 300: Proposed Redevelopment Actions

Section 301: General Overview

The Agency proposes to eliminate and prevent the spread of deterioration in the Legacy Crossing Project Area, as well as add to its economic vitality, by a variety of means. Among those means legally available to the Agency according to the Law and the Act are:

1. The acquisition of certain real property together with any improvements thereon;
2. The demolition or removal of certain buildings and improvements for public rights-of-way for streets, utilities, walkways, and other improvements, to eliminate unhealthful, unsanitary, or unsafe conditions, improve density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration;
3. The provision for participation by property owners within the Project Area;
4. The provision for relocation assistance to displaced Project occupants, if any is needed, as required by law;
5. The installation, construction, widening, alignment or reconstruction of streets, redesigning of intersections, improving signalization and pedestrian access;

6. The improvement of utilities including water and sewer systems, electrical distribution and transmission lines in underground configuration, if needed to encourage new developments, multi-modal transportation and parking facilities, and other public improvements related to green infrastructure and waterway improvements, including, but not limited to, irrigation and drainage laterals and ditches, storm drain systems, as well as walkways, street lighting, parks and public open spaces, and improvements to railroad tracks and property;
7. The disposition of property for uses in accordance with the Plan;
8. The redevelopment of land by private enterprise or public agencies for uses in accordance with the Plan, especially development which is sensitive to and respectful of existing natural resources including streams and vegetation;
9. The rehabilitation of structures and improvements by present owners, their successors, the City and the Agency;
10. The preparation and assembly of adequate sites for development & construction of facilities for commercial, mixed-use residential, office, appropriate retail and other ancillary uses;
11. To the extent allowed by law, to lend or invest federal and/or Agency funds to facilitate redevelopment;
12. The construction of foundations, platforms, and other like structural forms necessary as sites for buildings to be used for mixed use commercial and other uses contemplated by the Plan;
13. To provide utilities to the several development sites.

In the accomplishment of these purposes and activities and in the implementation and furtherance of this Plan, the Agency is authorized to use all the powers provided in this Plan and all the powers now or hereafter permitted by law. Primarily, the Agency intends to provide connectivity improvements for pedestrian and vehicular traffic, to install or improve public infrastructure, to improve and add to open space, to seek more cohesive zoning arrangements, and to encourage development of mixed-use projects consisting of residential, office, and supporting commercial and retail, with the goals of adding to the City's economic development and viability.

Section 302: Urban Renewal Plan Objectives

Urban renewal action is necessary in the Legacy Crossing Project Area to combat problems of physical deterioration and economic underdevelopment.

The original Legacy Crossing Project Area consisted of approximately 163 gross acres. With the addition of the 12 acres annexed with this Amended and Restated Legacy Crossing Urban Renewal Plan the total area of the District is 174.9 acres with boundaries described in Section 200.

Conditions of properties located within the boundaries of the Legacy Crossing Project Area reveal a history of a slow-growing tax base primarily attributed to the lack of public improvements or deteriorating public improvements; inadequate facilities such as sewer capacity; sub-standard street conditions, including lack of pedestrian walkways and bike paths, curbs, gutters and the like; incomplete road connections resulting in congestion and compromised safety; undeveloped and underdeveloped properties; the change in use from agricultural or industrial to commercial, retail and mixed uses; and other factors. The area has a history of a slow-growing tax base primarily attributed to inadequate street and utility improvements, inadequate public park areas, undeveloped properties, and other deteriorating areas. In addition, portions of the Project Area have recently been found to contain contaminated soil and groundwater, requiring remediation.

In its location, this Project Area environment contrasts sharply with the growing economic and cultural strength of Moscow and the Latah County region.

Accordingly, the Plan under consideration for the Legacy Crossing Project Area is a proposal for public improvements and facilities to:

- Provide an improved environment for new commercial and mixed-use developments
- Eliminate unsafe and hazardous conditions
- Assist potential owners and other developers to create appropriate development sites through aggregation of existing small parcels and, where necessary, through acquisition, demolition, and disposition activities
- Improve multi-modal transit and multi-modal parking opportunities throughout the Project Area
- Otherwise prevent the extension of blight and deterioration and reverse the deteriorating characteristics of the area
- Promote sustainable development intended to minimize environmental impacts and promote wise use of natural resources, including water resources.

The Agency may participate in the cost of removal of extraordinary site conditions. Any streets or other rights-of-way to be vacated or relocated will create additional building area for mixed-uses or public use. Any such vacations or relocations must be requested from and approved by the City of Moscow or any other agency having jurisdiction over the particular public right-of-way.

Acquisition of any interest in real property may be utilized by the Agency when and if the Agency deems it necessary to promote redevelopment in accordance with the objectives of the Legacy Crossing Plan. A further objective of the Plan is to provide for the acquisition of property to be used for public facilities. Off-street parking facilities may be developed or improved to serve new commercial uses within the Project Area. Over the life of the Plan, land use in the Legacy Crossing Project Area will be modified to the extent that buildings or land currently vacant or underdeveloped may be converted to mixed-uses, to public and private parking, and to public

or semi-public uses. The provisions of this Plan are applicable to all public and private property in the Legacy Crossing Project Area.

The provisions of the Legacy Crossing Urban Renewal District Plan shall be interpreted and applied as objectives and goals, recognizing the need for flexibility in interpretation and implementation, while at the same time not abdicating the rights and privileges of the property owners which are vested in the present and future zoning classifications of the properties. All development under an owner participation agreement shall conform to those standards specified in Section 303.1 of this Plan.

This Plan must be practical in order to succeed. Particular attention has been paid to how and when the Plan can be implemented, given the changing nature of market conditions. Transforming the Legacy Crossing Project Area into a vital, thriving part of the community requires an assertive strategy. The following list represents the key elements of that effort:

1. Initiate simultaneous projects designed to revitalize the Project Area. From sewer improvements, to aggregating parcel ownership, to significant new development, the Agency plans to play a key role in creating and facilitating conditions to encourage the necessary momentum.
2. Develop new mixed-use projects to attract, encourage and assist the development of new businesses within the Project Area.
3. Pursue development across a variety of land-use sectors simultaneously.
4. Secure certain public open space in critical areas. This public open space will increase property values adjacent to it and, with amenities investments and with public art integrated, greatly contribute to a new sense of place ("placemaking").

Without direct public intervention, much of the Legacy Crossing Project Area could conceivably remain unchanged for the next several years. Success will come through numerous public-private partnerships. The Plan creates the necessary flexible framework for the Legacy Crossing Project Area to expand Moscow's economic vitality.

Section 303: Participation Opportunities & Agreements

Section 303.1: Participation Agreements

If the Agency determines that it is in the best interests of the Agency and the public in furtherance of the Plan, the Agency may enter into owner participation agreements with any existing or future owner of property, in the event the property owner seeks and/or receives assistance from the Agency in the redevelopment of the property. In that event, the Agency may allow for an existing or future owner of property to remove his property and/or structure from future Agency acquisition subject to entering into an owner participation agreement.

Each structure and building in the Legacy Crossing Project Area to be rehabilitated or new projects to be constructed as a condition of the owner participation agreement between the Agency and the owner pursuant to this Plan will be considered to be satisfactorily rehabilitated and constructed, and the Agency may, in conjunction with the City, so certify, if the executed

owner participation agreements meet the following conditions and rehabilitated or new structures meet the following standards:

1. Any such property within the Legacy Crossing Project Area shall be required to conform to all applicable provisions, requirements, and regulations of this Plan. Upon completion of any rehabilitation or new development, each structure must be safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty four (24) years.
2. All such buildings or portions of buildings which are to remain within the Project Area shall be rehabilitated in conformity with all applicable codes and ordinances of the City of Moscow and any other regulatory agency having jurisdiction.
3. Any new construction shall conform to all applicable provisions, requirements and regulations of this Plan.
4. Any new construction shall also conform to all applicable codes and ordinances of the City of Moscow and any other regulatory Agency having jurisdiction.

In such participation agreements, participants who retain real property shall be required to join in the recordation of such documents as may be necessary to make the provisions of this Plan applicable to their properties. The provisions of this Plan are applicable to all public and private property in the Legacy Crossing Project Area.

In the event a participant under a participation agreement fails or refuses to rehabilitate, develop, use, and maintain its real property pursuant to this Plan and a participation agreement, the real property or any interest therein may be acquired by the Agency in accordance with Section 307 of this Plan, and sold or leased for rehabilitation or development in accordance with this Plan.

Owner participation agreements may be used to implement the following objectives:

1. Encourage property owners or tenants to revitalize deteriorated and/or deteriorating areas of their parcels and to incorporate elements of the Plan.
2. Subject to the limitations of the Law and the Act, provide incentives to existing property owners or tenants to encourage continued utilization and expansion of existing permitted uses to prevent Legacy Crossing properties from falling into disuse, or proliferation of vacant and deteriorated parcels.
3. Allow existing nonconforming uses to continue in accordance with City regulations and to accommodate improvements and expansions allowed by City regulations.
4. Subject to the limitations of the Act, provide incentives to improve nonconforming Legacy Crossing properties so they implement the design guidelines recommended by this Plan to the extent possible, and encourage an orderly transition from nonconforming to conforming uses over the planning horizon.

All such agreements will address phasing issues, justification, and eligibility projection costs and achievement of the objectives of the Plan. The Agency shall retain its discretion in the funding level of its participation.

Section 304: Cooperation with Public Bodies

Certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, undertaking, construction, or operation of this Project. The Agency shall seek the aid and cooperation of such public bodies and shall attempt to coordinate the Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

The Agency may impose on all public bodies the planning and design controls contained in the Plan to insure that present uses and any future development by public bodies will conform to the requirements of the Plan. Additionally, consideration will be given to such zoning and design requirements as may be in effect at the time projects are brought before the Agency. In accordance with the Law and Act, the Agency is authorized to financially (and otherwise) assist any public entity in the cost of public land, buildings, facilities, structures, or other improvements within the Legacy Crossing Project Area. Emphasis will be made on items including, but not limited to, site access issues, view-shed preservation, streetscape and building mass standards, pedestrian connectivity, integration of community spaces, green spaces, and open spaces, vehicular storage, and sustainable development practices.

The Agency specifically intends to cooperate to the extent allowable by law with the City of Moscow, Latah County, and the state of Idaho for the construction and reconstruction of public improvements and facilities, including water and sewer systems and street improvements. Specifically, the Agency intends to address public safety, traffic and connectivity issues in the Legacy Crossing Project Area with the City. The Agency seeks to provide input, guidance, and financial assistance, if appropriate, to improve traffic flow, connectivity and roadway and access improvements, streetscapes, and related traffic issues. The Agency also intends to cooperate with local transit authorities to improve transit and other transportation opportunities in the Project Area.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. However, the Agency will seek the cooperation of all public bodies that own or intend to acquire property in the Legacy Crossing Project Area. Any public body that owns or leases property in the Project Area will be afforded all the privileges of an owner participant if such public body is willing to enter into a participation agreement with the Agency. All plans for development of property in the Project Area by a public body shall comply with the provisions of the Plan.

In the event the Agency is participating with a public entity in a public development by way of financial incentive or otherwise, the public entity shall enter into a participation agreement with the Agency and then said public entity shall be bound by the Plan and other land use elements and shall conform to those standards specified in Section 304 of this Plan.

Section 305: Property Acquisition

Section 305.1: Real Property

Only as specifically authorized herein, the Agency may acquire, through the voluntary measures described below, but is not required to acquire, any real property located in the Project Area where it is determined that the property is needed for construction of public improvements, required to eliminate or mitigate the deteriorated or deteriorating conditions, and as otherwise allowed by law. The acquisition shall be by any means authorized by law, including, but not limited to, the Law, the Act, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, but shall not include the right to invoke eminent domain authority except as authorized herein. The Agency is authorized to acquire either the entire fee or any other interest in real property less than a fee, including structures and fixtures upon the real property, without acquiring the land upon which those structures and fixtures are located.

The Agency shall not acquire real property to be retained by an owner pursuant to a participation agreement if the owner fully performed under the agreement.

The Agency intends to acquire any real property through voluntary or consensual gift, devise, exchange, or purchase. Such acquisition of property may be for the development of the public improvements identified in this Plan or for the assembly of properties for the redevelopment of those properties to achieve the objectives of this Plan. Such properties may include properties owned by private parties or public entities. This Plan does not anticipate the Agency's widespread use of its resources for property acquisition, except for the construction of public improvements and any ability to engage in certain demonstration projects and other major objectives outlined in this Plan and to assemble certain critical or strategic parcels to dispose to the private sector to assist in the redevelopment of the Project Area.

In the event the Agency identifies certain property which should be acquired to develop certain public improvements intended to be constructed under the provisions of this Plan, the Agency shall coordinate such property acquisition with any other public entity (e.g., without limitation, the City, the State of Idaho, or any of its authorized agencies), including the assistance of the Agency of funds to acquire said property either through a voluntary acquisition or the public entity's invoking of its eminent domain authority without an express amendment to this Plan, properly approved by the City Council.

Under the provisions of the Act, the urban renewal plan "shall be sufficiently complete to indicate such land acquisition, demolition, and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area." Idaho Code § 50-2018(12). The Agency has not identified any particular parcel for acquisition for the construction of public improvements. These activities are generally described in Attachment 4. The Agency may also acquire property for the purpose of developing public parking facilities, providing public open space, and enhancing the opportunity for other uses. At the present time, the Agency cannot specifically identify which parcels may be necessary for acquisition. The Agency reserves the right to determine which properties, if any, should be acquired. Generally, the Agency will invoke its acquisition authority only for the elimination or mitigation of deteriorated or deteriorating buildings, structures, or properties in order to enhance public open space in the Project Area or to assist or participate in site reclamation, remediation, or elimination of blighted or deteriorated areas, and then only by voluntary means. However, the Agency's authority to invoke eminent domain to acquire real

property for disposition to private parties for economic development is limited by Idaho Code § 7-701A.

Section 305.2: Personal Property

Generally, personal property shall not be acquired. However, where necessary in the execution of the Plan and where allowed by law, the Agency is authorized to acquire personal property in the Legacy Crossing Project Area by any lawful means, including eminent domain. For purposes of the Plan, acquisition of certain permanent fixtures or improvements upon real property shall be governed by this section.

The Agency retains the right to purchase those fixtures or improvements (including buildings) for the purpose of eliminating certain deteriorated or deteriorating structures or to facilitate the redevelopment of the real property upon which the buildings and structures are located. Such acquisition shall be based upon appraised value of the structures and negotiation with the owner of the structures. The Agency shall take into account, before committing to such acquisition, any environmental or other liability present or potentially present in such structures.

In the event the Agency determines to acquire such property, it shall do so upon the successful negotiation of an owner participation agreement in compliance with the terms of Section 303.1 of the Plan. In addition, such owner shall commit to the redevelopment of the real property and to maintain the real property in a safe and clean manner. The Agency shall acquire such property by way of any acceptable conveyance.

Section 306: Property Management

During such time such property, if any, in the Legacy Crossing Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for redevelopment, and such rental or lease shall be pursuant to such policies as the Agency may adopt.

Section 307: Relocation of Persons (including Individuals and Families), Business Concerns, and Others Displaced by the Legacy Crossing Project

If the Agency receives federal funds for real estate acquisition and relocation, the Agency shall comply with 24 C.F.R. Part 42, implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The Agency may also undertake relocation activities for those not entitled to benefit under federal law as the Agency may deem appropriate and for which funds are available. In the event the Agency's direct activities result in displacement of families within the Legacy Crossing Project Area, the Agency shall compensate such residents by providing reasonable moving expenses into decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such families. For any other activity, the Agency will comply with the provisions of the Idaho Urban Renewal Law regarding relocation.

The Agency reserves the right to extend benefits for relocation to those not otherwise entitled to relocation benefits as a matter of state law under the Act or the Law. The Agency may or may not determine to use as a reference the relocation benefits and guidelines promulgated by the federal government, the state government or local government.

The intent of this section is to allow the Agency sufficient flexibility to award relocation benefits on some rational basis, or by payment of some lump sum per-case basis. The Agency may also consider the analysis of replacement value for the compensation awarded to either owner occupants or businesses displaced by the Agency to achieve the objectives of the Plan. The Agency may adopt relocation guidelines which would define the extent of relocation assistance in non-federally-assisted projects and which relocation assistance to the extent feasible would be uniform. The Agency may adopt relocation guidelines which would define the extent of relocation assistance in non-federally-assisted projects and which relocation assistance to the greatest extent feasible would be uniform. For displacement of families, the Agency shall comply with, at a minimum, the standards set forth in the Law. The Agency shall also comply with all applicable state laws concerning relocation benefits.

Section 308: Demolition, Clearance, and Building Site Preparation

Section 308.1: Demolition and Clearance

The Agency is authorized (but not required) to demolish and clear buildings, structures, and other improvements from any real property in the Legacy Crossing Project Area as necessary to carry out the purposes of the Plan.

Section 308.2: Preparation of Building Sites

The Agency is authorized (but not required) to prepare or cause to be prepared as building sites, any real property in the Legacy Crossing Project Area owned by the Agency. In connection therewith, the Agency may cause, provide for, or undertake the installation or construction of streets, utilities, parks, pedestrian walkways, traffic signals, drainage facilities, and other public improvements necessary to carry out the Plan.

The Agency is also authorized (but not required) to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for commercial, private, public, and other uses provided in the Plan. To the extent allowed by the Law and Act, the Agency may assist in the preparation of building sites by way of reclamation, remediation, or elimination of deteriorated or deteriorating conditions. The Agency is also authorized, but not required, to purchase certain site or building improvements for purposes of site preparation and development.

Section 309: Property Disposition and Development

Section 309.1: Real Property Disposition and Development

Section 309.1 (A): General

For the purposes of the Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property under the reuse provisions set forth in Idaho Code § 50-2011 and as otherwise allowed by law. To the extent permitted by law, the Agency is authorized to dispose of real property by negotiated lease, sale, or transfer without public bidding. All purchasers or lessees of property acquired from the Agency shall be obligated to use the property for the purposes designated in the Plan, to begin and complete development of the property within a

period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of the Plan.

Where determined by the Agency to be beneficial to the Legacy Crossing Project Area and in the public good, real property acquired by the Agency may be conveyed by the Agency without charge to any public body as allowed by law. All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in the Plan.

Section 309.1 (B): Disposition and Development Documents

To provide adequate safeguards to ensure that the provisions of the Plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the Agency, as well as all property subject to participation agreements is subject to the provisions of the Plan.

The Agency shall reserve such powers and controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is carried out pursuant to the Plan.

Leases, deeds, contracts, agreements, and declarations of the Agency may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out the Plan. Where appropriate, as determined by the Agency, such documents, or portions thereof, shall be recorded in the office of the Recorder of Latah County.

All property in the Legacy Crossing Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon race, color, creed, religion, sex, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property. All property sold, leased, conveyed, or subject to a participation agreement shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease, or other transfer of land in the Legacy Crossing Project Area shall contain such nondiscrimination and non-segregation clauses as required by law. The Developers (including owner/participants) will be required by the contractual agreement to observe the Land Use and Building Requirements provision of the Plan, and to submit a Redevelopment Schedule satisfactory to the Agency. Schedule revisions will be made only at the option of the Agency.

As required by law or as determined in the Agency's discretion to be in the best interest of the Agency and the public, the following requirements and obligations may be included in the agreement:

1. A plan and time schedule for the proposed development shall be submitted to the Agency.
2. The purchase or lease of the land, subterranean rights, and/or air rights is for the purpose of redevelopment and not for speculation.

3. The building of improvements will be commenced and completed as jointly scheduled and determined by the Agency and the developer(s).
4. There will be no discrimination against any person or group of persons because of handicap, age, race, sex, creed, color, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises or any improvements erected or to be erected thereon or therein conveyed, nor will the developer himself or any person claiming under or through him establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sub-lessees, or vendees in the premises or any improvements therein conveyed. The above provision will be perpetual and will be appended to the land disposed of within the Legacy Crossing Urban Renewal Project Area by the Agency.
5. The site and construction plans will be submitted to the Agency for review as to conformity with the provisions and purposes of this Plan.
6. At the discretion of the Agency, a bond or other surety will be provided acceptable to the Agency to ensure performance under the contract of the sale.
7. Rehabilitation of any existing structure must assure that the structure is safe and sound in all physical aspects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years.
8. All such buildings or portions of the buildings which are to remain within the Project Area shall be reconstructed in conformity with all applicable codes and ordinances of the City of Moscow or Latah County, if applicable.
9. All new construction shall have a minimum estimated life of no less than twenty (20) years.
10. All disposition and development documents and owner participation agreements shall be governed by the provisions of Section 405.2 of the Plan.
11. All such buildings or portions of the buildings which are to remain within the Legacy Crossing Project Area shall be reconstructed in conformity with all applicable codes and ordinances of the City of Moscow or Latah County, if applicable. All disposition and development documents shall be governed by the provisions of Section 420 of the Plan.

The Agency also reserves the right to determine the extent of its participation based upon the objectives of this Plan.

Section 309.1 (C) Development by the Agency

To the extent now or hereafter permitted by the Law or Act, the Agency is authorized to pay for, develop, or construct any publicly-owned building, facility, structure, or other improvement within the Legacy Crossing Project Area for itself or for any public body or entity, which buildings, facilities, structures, or other improvements are or would be of benefit to the Project Area. Specifically, the Agency may pay for, install, or construct the buildings, facilities, structures, and

other improvements described in Attachment 4, attached hereto and incorporated herein by reference, and may acquire or pay for the land required therefore.

The Agency may also prepare properties for development by renovation or other means as allowed by the Law or Act. The Agency may also as allowed by the Law or Act assist in the development of private projects.

In addition to the public improvements authorized under Idaho Code § 50-2007, the Agency is authorized to install and construct, or to cause to be installed and constructed, within the Legacy Crossing Project Area or outside the Project Area, for improvements or facilities that are needed to support new development in the Project Area, for itself or for any public body or entity, public improvements and public facilities, including, but not limited to, the following: (1) utilities; (2) pedestrian and bicycle paths and facilities; (3) traffic signals; (4) landscaped areas; (5) street and sidewalk improvements, including new access roads and streets; (6) sanitary sewers; (7) flood control facilities and storm drains; (8) water mains, pumps, and reservoirs; (9) parks and recreation facilities; (10) improved railroad property use; (11) environmental remediation and property reconditioning; (12) public art installations; and (13) civic plazas or the like. Where appropriate, the Agency seeks to coordinate special streets, parks, and urban open spaces within the Legacy Crossing Project Area to enhance connectivity.

Any public facility ultimately owned by the Agency shall be operated and managed in such a manner as to preserve the public purpose nature of the facility. Any lease agreement with a private entity or management contract agreement shall include all necessary provisions sufficient to protect the public interest and public purpose.

The Agency may enter into contracts, leases, and agreements with the City, or other public body or private entity, pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code § 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under subdivision (2)(b) of Section 50-2908 of the Act and Section 504 to this Plan or out of any other available funds.

Section 309.1 (D) Development Plans

All development plans, whether public or private, prepared pursuant to disposition and development or owner participation agreements shall be submitted to the Agency for review. All development in the Legacy Crossing Project Area must conform to those standards specified in Section 404, *infra*.

Section 310: Personal Property Disposition

For the purposes of this Plan, the Agency is authorized to lease, sell, exchange, transfer, assign, pledge, encumber, or otherwise dispose of personal property which is acquired by the Agency.

Section 311: Rehabilitation and Conservation

The Agency is authorized to rehabilitate, renovate, and conserve or to cause to be rehabilitated, renovated, and conserved, any building or structure in the Legacy Crossing

Project Area owned by the Agency for preparation of redevelopment and disposition. The Agency is also authorized and directed to advise, encourage, and assist in the rehabilitation and conservation of property in the Project Area not owned by the Agency. The Agency is authorized, though not required, to acquire, restore, rehabilitate, move, and conserve buildings of historic or architectural significance.

Section 312: Participation with Private or Public Development

Under the Law, the Agency has the authority to lend or invest funds obtained from the federal government for the purposes of the Law if allowable under federal laws or regulations. The federal funds that may be available to the Agency are governed by regulations promulgated by the Department of Housing and Urban Development for the Community Development Block Grant Program and other applicable federal programs.

Under those regulations, the Agency may participate with the private sector in the development and financing of those private projects which will attain certain federal objectives.

The Agency may, therefore, use the federal funds for the provision of assistance to private, for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, or any other activity necessary or appropriate to carry out an economic development project. The Agency may also use funds from any other sources for any purpose set forth under the Law.

The Agency may enter into contracts, leases, and agreements with the City or other public body or private entity pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code § 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under subdivision (2)(b) of Section 50-2908 of the Act and Section 504 of the Plan, or out of any other available funds.

Section 313: Conforming Owners

The Agency may, at the Agency's sole and absolute discretion, determine that certain real property within the Legacy Crossing Project Area presently meets the requirements of the Plan, and the owner of such property will be permitted to remain as a conforming owner without a participation agreement with the Agency, provided such owner continues to operate, use, and maintain the real property within the requirements of the Plan.

Section 314: Art Funding

The Agency will consider funding public art and cultural amenities which add value to the community, through joint ventures with private developers and in cooperation with the City of Moscow. In its implementation of this Plan, the Agency encourages development which integrates public art and culture in the development.

Section 315: Multi-Modal Transportation

The Agency recognizes the need to promote multi-modal transportation in the Legacy Crossing Urban Renewal District, and encourages development which supports and cooperates with the

City of Moscow, the University of Idaho and other partners in providing opportunities for multi-modal transportation.

Section 400: Uses Permitted in the Project Area

Section 401: Redevelopment Plan Map & Development Strategy

The map of the original Legacy Crossing Project Area and Revenue Allocation Area Boundary and the amended and restated annexed area boundary are attached hereto as Attachment 1 and their legal descriptions are attached hereto as Attachment 2; both are incorporated by reference and describe the location and the boundaries of the Project Area. The proposed land uses to be permitted in the Legacy Crossing Project Area for all land, public and private, shall be in accordance with the City of Moscow's Zoning Ordinance, and future redevelopment activities of individual parcels will of course depend on market forces.

Section 402: Designated Land Uses

The Agency intends to rely upon the overall land use designations and zoning requirements of the City of Moscow and where applicable, of Latah County.

Section 402.1: Commercial Uses

Commercial uses shall be as set forth and described in the City of Moscow's Zoning Ordinance.

Section 402.2: Residential Uses

Residential uses shall be as set forth and described in the Zoning Ordinance for the City of Moscow.

Section 402.3: Industrial Uses

Although industrial uses are not contemplated as a primary component of this Plan, should an industrial use of any property within the District be considered, such industrial uses shall be as set forth and described in the Zoning Ordinance for the City of Moscow. Any industrial uses shall be evaluated in consideration of impacts to adjoining and adjacent land uses in the Legacy Crossing Urban Renewal Area and the objectives of this Plan.

Section 403: Other Land Uses

Section 403.1: Public Rights-of-Way

The Legacy Crossing Project Area includes several major public streets, including but not limited to, Jackson Street, A Street, Third Street, Sixth Street, College Street, Main Street and Troy Road/State Highway 8. These and other major rights-of-way may be further developed in the Project Area. Additional public streets, alleys, and easements may be created in the Legacy Crossing Project Area as needed for connectivity and proper development. Existing streets, alleys and easements may be abandoned, closed, expanded, or modified as necessary for proper development of the Legacy Crossing Project in conjunction with any applicable policies

and standards of the City of Moscow or the Idaho Department of Transportation as may be applicable regarding changes to dedicated rights-of-way.

Any changes in the existing interior or exterior street layout shall be in accordance with the objectives of this Plan and the design standards of the City of Moscow or the Idaho Department of Transportation, as may be applicable; shall be effectuated in the manner prescribed by state and local law, and shall be guided by the following criteria:

1. A balancing of the needs of proposed and potential new developments for adequate pedestrian and vehicular access, vehicular parking, and delivery loading docks with the similar needs of any existing developments permitted to remain; such balancing taking into consideration the rights of existing owners and tenants under the rules for owner and tenant participation adopted by the Agency for the Legacy Crossing Project Area and any participation agreements executed hereunder.
2. The requirements imposed by such factors as topography, traffic safety, and aesthetics;
3. The potential need to serve not only the Legacy Crossing Project Area and new or existing developments but also to serve areas outside the Project Area by providing convenient and efficient vehicular and pedestrian access and movement.

The public rights-of-way may be used for vehicular and/or pedestrian traffic, as well as for public improvements, public, franchise and private utilities, and activities typically occurring within public rights-of-way.

Section 403.2: Other Public, Semi-Public, Institutional and Nonprofit Uses

The Agency is also authorized to permit the maintenance, establishment, or enlargement of public, semi-public, institutional, or nonprofit uses. All such uses shall, to the extent possible, conform to the provisions of the Plan applicable to the uses in the specific area involved. The Agency may impose such other reasonable requirements and/or restrictions as may be necessary to protect the development and use of the Legacy Crossing Project Area.

Section 403.3: Interim Uses

Pending the ultimate development of land by developers and participants, the Agency is authorized to use or permit the use of any land in the Legacy Crossing Project Area for interim uses that are not in conformity with the uses permitted in the Plan. However, any interim use must comply with applicable codes and regulations of the City of Moscow.

Section 404: General Controls and Limitations

All real property in the Legacy Crossing Project Area, under the provisions of either a disposition and development agreement or owner participation agreement, is made subject to the controls and requirements of the Plan. No such real property shall be developed, rehabilitated, or otherwise changed after the date of the adoption of the Plan, except in conformance with the provisions of the Plan.

Section 404.1: Construction

All development and construction in the Legacy Crossing Project Area shall comply with all applicable state and local laws and codes in effect at the time such development or construction occurs. In addition to applicable codes, ordinances, or other requirements governing development in the Project Area, additional specific performance and development standards may be adopted by the Agency to control and direct redevelopment activities in the Legacy Crossing Project Area in the event of a disposition and development agreement or owner participation agreement. Such performance and development standards may include requirements for sustainable development, such as green building codes and other sustainable development practices.

Section 404.2: Rehabilitation and Retention of Properties

Any existing structure within the Legacy Crossing Project Area subject to either a disposition and development agreement or owner participation agreement approved by the Agency for retention and rehabilitation shall be repaired, altered, reconstructed, or rehabilitated in such a manner that it will be safe and sound in all physical respects and be attractive in appearance and not detrimental to surrounding uses.

Section 404.3: Limitation on Type, Size and Height of Building

Except as set forth in other sections of this Plan, the type, size, and height of buildings shall be as limited by applicable federal, state, and local statutes, ordinances and regulations.

Section 404.4: Open Spaces, Landscaping, Light, Air and Privacy

The approximate amount of open space to be provided in the Legacy Crossing Project Area is the total of all areas which will be public ground, the space around buildings, and all other outdoor areas not permitted to be covered by buildings. Landscaping shall be developed in the Legacy Crossing Project Area to ensure optimum use of living plant material. Sufficient space shall be maintained between buildings in all areas to provide adequate light, air, and privacy.

Section 404.5: Signs

All signs shall conform to City of Moscow's sign ordinances as they now exist or are hereafter amended.

Section 404.6: Utilities

The Agency shall require that all utilities within the Legacy Crossing Project Area be placed underground whenever physically and economically feasible.

Section 404.7: Incompatible Uses

No use or structure which by reason of appearance, traffic, smoke, glare, noise, odor, or similar factors which would be incompatible with the surrounding areas or structures shall be permitted in any part of the Legacy Crossing Project Area.

Section 404.8: Nondiscrimination and Nonsegregation

There shall be no discrimination or segregation based upon age, race, color, creed, religion, sex, marital status, national origin, handicap, or ancestry permitted in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Legacy Crossing Project Area.

Section 404.9: Subdivision of Parcels

Any parcel in the Legacy Crossing Project Area shall be subdivided only in compliance with the City of Moscow Subdivision Ordinance. Additionally, consideration will be given to design requirements as may be adopted by the City and in effect at the time projects are brought before the Agency.

Section 404.10: Minor Variations

Under exceptional circumstances, the Agency is authorized to permit a variation from the limits, restrictions, and controls established by this Plan. In order to permit such variation, the Agency must determine that:

1. The application of certain provisions of the Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the Plan;
2. There are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions, and controls;
3. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area; and
4. Permitting a variation will not be contrary to the objectives of the Plan.

No variation shall be granted which changes a basic land use or which permits other than a minor departure from the provisions of the Plan, without amendment of the Plan. In permitting any such variation, the Agency shall impose such conditions as are necessary to protect the public peace, health, safety, or welfare and to assure compliance with the purposes of the Plan. Any variation permitted by the Agency hereunder shall not supersede any other approval required under City codes and ordinances.

Section 404.11: Off-Street Loading

All development and construction in the Legacy Crossing Project Area shall provide for off-street loading as required by the City ordinances as they now exist or are hereafter amended.

Section 404.12: Off-Street Parking

All development and construction in the Legacy Crossing Project Area shall provide off-street parking as required by the City ordinances as they now exist or are hereafter amended.

Section 405: Design for Development

Section 405.1: Design Guidelines for Development

Within the limits, restrictions, and controls established in the Plan and to the extent allowed by law, the Agency is authorized to establish heights of buildings, land coverage, setback requirements, design criteria, traffic circulation, traffic access, and other development and design controls necessary for proper development of both private and public areas within the Legacy Crossing Project Area. The Agency intends to rely on City standards including any particular standards which the City may impose over the Legacy Crossing Project Area. Any development must also comply with the City of Moscow's Zoning & Subdivision Ordinances regarding heights, setbacks, and other like standards.

In the case of property which is the subject of a disposition and development or owner participation agreement with the Agency, no new development or improvement shall be constructed and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated except in accordance with the Plan. Under those agreements the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. One of the objectives of the Plan is to create an attractive and pleasant environment in the Legacy Crossing Project Area. Therefore, such plans shall give consideration to good design and other amenities to enhance the aesthetic quality of the Legacy Crossing Project Area. The Agency shall not approve any plans that do not comply with the Plan.

In the event the Agency adopts design standards or controls, those provisions will thereafter apply to each site or portion thereof in the Legacy Crossing Project Area. Those controls and standards will be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standards and provisions of any applicable City building or zoning ordinances; provided, however, each and every development shall comply with all applicable City zoning and building ordinances. Absent the Agency developing and promulgating specific design standards or controls, the Agency shall review all projects by applying and/or deferring to the usual approval process imposed by the City.

Section 405.2: Design Guidelines for Development under a Disposition and Development Agreement or Owner Participation Agreement

Under an owner participation agreement or a disposition and development agreement, the design guidelines and land use elements as imposed shall be achieved to the greatest extent feasible, though the Agency retains the authority to grant minor variations under Section 404.10 of the Plan and subject to a negotiated agreement between the Agency and the developer or property owner.

Under those agreements, the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. In such agreements, the Agency or the City

may impose additional design controls, or require that consideration be given to certain design preferences. One of the objectives of the Plan is to create an attractive environment in the Legacy Crossing Project Area. Therefore, such plans shall give consideration to good design and amenities to enhance the aesthetic quality of the Project Area. These additional design standards or controls will be implemented through the provisions of any disposition and development agreement or owner participation agreement or by appropriate covenants appended to the land and instruments of conveyance executed pursuant thereto. These controls are in addition to any standard and provision of any applicable City building or zoning ordinance; provided, however, each and every development shall comply with all applicable City zoning and building ordinances, including any adopted City design standards or overlay zones.

Section 500: Methods of Financing the Project

Section 501: General Description of the Proposed Financing Methods

As allowed by the Law and the Act, the Agency is authorized to finance this Project with financial assistance from the City, State of Idaho, federal government, interest income, Agency bonds, donations, loans from private financial institutions, the lease or sale of Agency-owned property, revenue allocation funds, or any other available source, public or private, including assistance from any taxing district or any public entity.

The Agency is also authorized to obtain advances, borrow funds, and create indebtedness in carrying out this Plan. The principal and interest on such advances, funds, and indebtedness may be paid from any funds available to the Agency. The City, as it is able, may also supply additional assistance through City loans and grants for various public facilities.

The City or any other public entity may expend money to assist the Agency in carrying out this Project.

The Agency may also provide certain grants or loans to property owners, business owners, or others as may be allowed by law.

Section 502: Revenue Bond Funds

As allowed by the Law and the Act and subject to such restrictions as are imposed by law, the Agency is authorized to issue bonds from time to time, if it deems appropriate to do so, in order to finance all or any part of the Project. Neither the members of the Agency, nor any persons executing the bonds shall be liable on the bonds by reason of their issuance.

Section 503: Other Loans and Grants

As allowed by the Law and the Act, any other loans, grants, guarantees, or financial assistance from the United States, the State of Idaho, or any other public or private source will be utilized if available. Neither the members of the Agency nor any persons executing such loans or grants shall be liable on the loans or grants by reason of their issuance.

Section 504: Revenue Allocation Financing Provisions

The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, Chapter 29, Title 50, Idaho Code, effective retroactively to January 1, 2008, for the original Project Area, and effective retroactively to January 1, 2018, for the Main Street Project Area. These revenue allocation provisions shall apply to all taxing districts in which the Legacy Crossing Revenue Allocation Area is located and described on Attachment 1 and Attachment 2 to the Plan. The Agency shall take all actions necessary or convenient to implement these revenue allocation financing provisions. The Agency specifically finds that the equalized assessed valuation of property within the Revenue Allocation Area is likely to increase as a result of the implementation of the Plan.

The Agency, acting by one or more properly adopted motions, policies or resolutions adopted by its board of commissioners, is hereby authorized to apply all or any portion of the revenues allocated to the Agency pursuant to the Act to pay such costs as are incurred or to pledge all or any portion of such revenues to the repayment of any moneys borrowed, indebtedness incurred, or bonds issued by the Agency to finance or to refinance the Project costs (as defined in Idaho Code § 50-2903(14)) of one or more redevelopment projects.

Upon enactment of an ordinance by the governing body of the City finally adopting these revenue allocation financing provisions and defining the Revenue Allocation Area described herein as part of the Plan, there shall hereby be created a special fund of the Agency into which the County Treasurer shall deposit allocated revenues as provided in Idaho Code § 50-2908. The Agency shall use such funds solely in accordance with Idaho Code § 50-2909 and solely for the purpose of providing funds to pay the project costs, including any incidental costs, of such redevelopment projects as the Agency may determine by motion, policy or resolution of its board of commissioners.

A statement listing proposed public improvements and facilities, estimated project cost ranges as they are currently known, an economic feasibility study, fiscal impact upon taxing districts, and methods of financing project costs required by Idaho Code § 50-2905 is included in Attachment 5 to the Plan. This statement necessarily incorporates estimates and projections based upon the Agency's present knowledge and expectations. The Agency is hereby authorized to modify the presently anticipated redevelopment projects and use of revenue allocation financing of the related Project costs if the board of commissioners of the Agency deems such modification necessary or convenient to effectuate the general objectives of the Plan.

The Agency may provide for expenditure of revenue allocation proceeds on an annual basis without the issuance of bonds. The Agency may also provide for obtaining advances or loans from the City, private entities, or other sources in order to immediately commence construction of certain of the public improvements. Revenues will continue to be allocated to the Agency until the improvements identified in Attachment 4 are completely constructed or until any obligation to the City or other public entity or private entity are fulfilled.

Attachment 5 incorporates estimates and projections based on Agency's present knowledge and expectations concerning the infrastructure and other improvements needed, and the cost estimates of such infrastructure and improvements. The activity may cost more or less depending on the significance, and the timeliness of development is presently unknown. Activity may be completed earlier if revenue allocation proceeds are greater or the Agency obtains additional funds; or later as the delayed receipt of proceeds requires.

The revenue allocation proceeds are hereby irrevocably pledged for the payment of the principal and interest on the advance of monies or making of loans or the incurring of any indebtedness such as bonds, notes, and other obligations (whether funded, refunded, assumed, or otherwise) by the Agency to finance or refinance the Project in whole or in part, as well as payment for costs incurred for activities of the Project.

The Agency is authorized to make such pledges as to specific advances, loans, and indebtedness as appropriate in carrying out the Project.

The Agency reserves the right to either pay for Project costs from available revenue or borrow funds by incurring debt through notes or other obligations.

The Agency is authorized to make such pledges as to specific advances, loans, and indebtedness as appropriate in carrying out the Project.

Revenue allocation proceeds are deemed to be only a part of the proposed funding sources for the payment of public improvements and other project improvements. Additionally, project funding is proposed to be phased for the improvements, allowing various sources of funds to be accumulated for use.

The assumptions concerning revenue allocation proceeds are based upon certain assessed value increases and assumed tax levy rates.

Section 504.1: Economic Feasibility Study

Attachment 5 consists of the economic feasibility study for the Legacy Crossing Project Area. The feasibility study constitutes the financial analysis required by the Act. Additional analyses may be undertaken by the Agency at its discretion.

The assumptions set forth in the Study are based upon the best information available to the Agency through public sources or discussions with property owners, developers, and others. The information has been analyzed by the Agency and its consultants in order to provide an analysis that meets the requirements set forth under the Law and Act. At the point in time when the Agency may seek a loan from lenders or others, a more detailed and then-current financial pro forma will be presented to those lenders or underwriters for analysis to determine the borrowing capacity of the Agency. As set forth below, the Agency reserves the right to fund the Project on a “pay as you go” basis. The Agency Board will prioritize the activities set forth in this Plan and determine what funds are available and what activities can be funded. The Agency will establish those priorities through its mandated annual budgetary process.

Section 504.2: Assumptions and Conditions/Economic Feasibility Statements

The current information contained in Attachment 5 assumes certain completed and projected actions. Under the provisions of the Act, the revenue allocation shall continue until any bond debt or other obligation is satisfied. All debt is projected to be repaid no later than the duration period of the Plan. The total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Should all of the development take place as projected, indebtedness could be extinguished earlier,

dependent upon the bond sale documents or other legal obligations. Should private development take longer to materialize, or should the private development be substantially less than projected, then the amount of revenue generated will be substantially reduced and those obligations may continue for their full term.

The Plan and Attachments under current consideration incorporate estimates and projections based on the Agency's present knowledge and expectations. The Agency may modify the Project if the board of commissioners of the Agency deems such modifications necessary to effectuate the Plan. The Plan proposes certain public improvements, including utility improvements, streetscapes, street improvements, property acquisition, and relocation costs, which will facilitate development in the Legacy Crossing Project Area.

Section 504.3: Ten Percent Valuation² and Geographic Limitations

Under the Act the base assessment roll for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed valuation of all taxable property for the entire City of Moscow. County records show the January 1, 2017, adjusted base assessment roll value for the original Legacy Crossing Project Area, not including operating property and less any homeowner's exemption, is **\$44,969,560**. The January 1, 2017, total assessed valuation of the Main Street Project Area is **\$13,076,968**. The combined base value of the Project Area is **\$58,046,528**.

The total assessed value for the City of Moscow as of January 1, 2017, less homeowner's exemptions, is **\$1,147,063,791**. Therefore, the combined base assessment roll for all Agency Revenue Allocation Areas, which only currently includes the Legacy Crossing District, is **5.0%** which does not exceed ten percent (10%) of the assessed value for the City of Moscow.

Further, Idaho Code § 50-2033, effective 2011, provides: "[a]n urban renewal plan that includes a revenue allocation area may be extended only one (1) time to extend the boundary of the revenue allocation so long as the total area to be added is not greater than ten percent (10%) of the existing revenue allocation area and the area to be added is contiguous to the existing revenue allocation area but such contiguity cannot be established solely by a shoestring or strip of land which comprises a railroad or public right-of-way." The 2008 Project Area consists of 163 acres; therefore the 10% geographic limit is 16.3 acres. The Main Street Project Area, which is adjacent and contiguous to the 2008 Project Area consists of 12 acres, which is less than 10% of the acreage included in the original 2008 Project Area.

Section 504.4: Financial Limitation

Several capital improvement projects are contemplated in the Legacy Crossing Project Area. Use of any particular financing source for any particular purpose is not assured or identified. Use of the funding source shall be conditioned on any limiting authority. Use of revenue allocation funds will be limited by the authority of the Act. If revenue allocation funds are unavailable, then the Agency will need to utilize a different funding source for that improvement,

² Due to the timing of the assessment process and creation of this Plan, the 2017 values have been used to establish compliance with the 10% limitation. Even assuming an increase in values for 2018, the combined values of the revenue allocation areas would not exceed 10% of the current assessed value for the entire City.

including grant funds. In that situation, the feasibility studies will examine the potential of grant funding.

The amount of funds available to the Agency from revenue allocation financing is directly related to the assessed value of new improvements within the Legacy Crossing Revenue Allocation Area. Under the Act, the Agency is allowed the revenue allocation generated from inflationary increases and new development value. The feasibility studies have assumed certain annual increases over the term of the Plan based on historical analysis and other circumstances.

Various estimates and projections constitute an economic feasibility study. Costs and revenues are analyzed, and the analysis shows the need for public capital funds during the Project. The feasibility studies identify the kind, number, and location of all proposed or contemplated public works or improvements, a list of estimated project costs, and the revenue that is projected to be generated over the life of the District. (See Idaho Code § 50-2905.) Based on these funding sources, the conclusion is that the Project is feasible.

The information contained in the feasibility studies assumes certain projected actions. First, the Agency has projected the possibility of bond terms and note issues. Should this or a similar financing mechanism be considered, the bond term will be finally determined by the marketability of the notes. Under the provisions of the Act, the revenue allocation may continue until the end of the Plan term. Second, the total amount of indebtedness and the amount of revenue generated by revenue allocation is dependent upon the extent and timing of private development. Should all of the development take place as projected, indebtedness would be extinguished earlier, dependent upon the bond sale documents and legal obligations therein. Should private development take longer to materialize or should the private development be substantially less than projected, then the amount of revenue generated will be substantially reduced and bonds may continue for their full term.

The proposed timing for the public improvements may very well have to be modified depending upon the availability of some of the funds and the Agency's ability to sell an initial issue of notes or bonds.

The Plan has shown that the equalized valuation of the Legacy Crossing Revenue Allocation Area as defined in the Plan is likely to increase as a result of the initiation and completion of urban renewal projects pursuant to the Plan.

Section 504.5: [RESERVED]

Section 504.6: Participation with Local Improvement Districts and Business Improvements Districts

Under the Idaho Local Improvement District Code, Chapter 17, Title 50, Idaho Code, the City has the authority to establish local improvement districts for various public facilities, including, but not limited to, streets, curbs, gutters, sidewalks, storm drains, landscaping, and other like facilities. To the extent allowed by the Law and the Act, the Agency reserves the authority to participate in the funding of local improvement district facilities. This participation may include either direct funding to reduce the overall cost of the LID or to participate as an assessed entity to finance the LID project.

Under the Business Improvement District Code (BID), Chapter 26, Title 50, Idaho Code, the City has the authority to establish business improvement districts for the acquisition, construction and maintenance of parking facilities, promotion of public events, general promotion of retail trade in the district, and physical improvement and decoration of any public space in the district. To the extent allowed by the Law and Act, the Agency reserves the authority to participate in the funding of the business improvement district activities. The participation may include either direct funding to reduce the overall cost of the BID or to participate as an assessed entity, should the Agency own any property subject to assessment.

Section 504.7: Issuance of Debt and Debt Limitation

Any debt incurred by the Agency as allowed by the Law and Act shall be secured by revenues identified in the debt resolution or revenue allocation funds as allowed by the Act. All such debt shall be repaid within the duration of this Plan.

Section 504.8: Impact on Other Taxing Districts and Levy Rate

A specific delineation of tax dollars generated by revenue allocation upon each taxing district has not been prepared. The overall impact of the Legacy Crossing Project Area on revenue allocation is shown in the economic feasibility study (see Attachment 5). Since the passage of Idaho Code § 63-802 in 1995, taxing entities are constrained in establishing levy rates by a function of the amount each budget of each taxing district can increase on an annual basis. Therefore, the impact of revenue allocation is more of a product of the imposition of Idaho Code § 63-802. In addition, without the revenue allocation district and its ability to pay for public improvements and public facilities, fewer substantial improvements within the Legacy Crossing Project Area would be expected in the next five to ten years, hence there would be lower increases in assessed valuation to be used by the other taxing entities.

If the overall levy rate is less than assumed, the Agency will receive fewer funds from revenue allocation. The assessed value for each property in a revenue allocation area consists of a base value and an increment value. The base value is the assessed value as of January 1 of the year in which a revenue allocation area is approved by a municipality, with periodic adjustments allowed by Idaho State Code. The increment value is the difference between the base assessed value and current assessed value in any given year while the property is in a revenue allocation area. Under Idaho Code § 63-802, taxing entities are constrained in establishing levy rates by the amount each budget of each taxing district can increase on an annual basis. Taxing entities submit proposed budgets to the County Board of Commissioners, which budgets are required to comply with the limitations set forth in Idaho Code § 63-802.

The County Board of Commissioners calculates the levy rate required to produce the proposed budget amount for each taxing entity using the assessed values which are subject to each taxing entity's levy rate. Assessed values in urban renewal districts which are subject to revenue allocation (incremental values) are not included in this calculation. The combined levy rate for the taxing entities is applied to the incremental property values in a revenue allocation area to determine the amount of property tax revenue which is allocated to an urban renewal agency. The property taxes generated by the property values in the urban renewal districts that are not subject to revenue allocation and by properties outside revenue allocation areas are distributed to the other taxing entities. Properties in revenue allocation areas are subject to the same levy

rate as they would be outside a revenue allocation area. The difference is how the revenue is distributed.

One result of new construction occurring outside the revenue allocation area (Idaho Code §§ 63-802 and 63-301A) is the likely reduction of the levy rate as assessed values increase for property within each taxing entity's jurisdiction. From and after December 31, 2006, Idaho Code § 63-301A prohibits taxing entities from including, as part of the new construction roll, the increased value related to new construction within a revenue allocation area until the revenue allocation authority is terminated. Any new construction within the Project Area is not available for inclusion by the taxing entities to increase their budgets. Less tax revenue will be available to those taxing entities. Upon termination of this Plan, the taxing entities will be able to include the accumulated new construction roll value in setting the following year's budget and revenue from such value is not limited to the three percent increase allowed in Idaho Code § 63-802(1)(a).

As the 2018 certified levy rates are not determined until late September 2018, the 2017 certified levy rates have been used in the Study for purposes of the analysis. For Tax Year 2017, those districts and rates are as follows:³

Latah County	.004368392
City of Moscow	.004772535
School District No. 281	.006502582
Latah County Library District	.000582073
Moscow Cemetery District	.000184443
North Latah Highway District	.001389756

Additionally, the economic feasibility study has utilized a 2017 tax levy rate, and presumed 2017 levy rates will remain constant throughout the term of the Plan⁴.

Section 504.9: Phasing and Other Fund Sources

The Agency anticipates funding only a portion of the entire costs of the public improvements shown on Attachment 4. Other sources of funds shall include developer contributions, federal and state funds, foundation funds, grants, and City of Moscow participation. Agency participation shall be determined by the amount of revenue allocation funds generated.

Section 504.10: Lease Revenue Bonds

One other potential source of financing is lease revenue bonds from the user of a public facility. For example, a lease base revenue bond may be a way to finance certain public buildings without the use or obligation of revenue allocation proceeds.

Section 504.11: Lease Revenue, Parking Revenue, and Bonds

Under the Law, the Agency is authorized to issue revenue bonds to finance certain public improvements identified in the Urban Renewal Plan. Under that type of financing, a public entity would pay the Agency a lease payment annually which provides certain funds to the

³ Pursuant to Idaho Code § 50-2908, these levy rates do not include voter approved bonds or levies.

⁴ The levy rates are the same for the original Project Area and the annexed Main Street Project Area.

Agency to retire the bond debt. Another variation of this type of financing is sometimes referred to as conduit financing, which provides a mechanism where the Agency uses its bonding authority for the Project, with the end user making payments to the Agency to retire the bond debt. These sources of revenues are not related to revenue allocation funds and may not be particularly noted in the Study, because of the “pass through” aspects of the financing. Under the Act, the economic feasibility study focuses on the revenue allocation aspects of the Agency’s financial model.

These financing models typically are for a longer period of time than the life of the Plan and survive termination pursuant to Idaho Code § 50-2905(8) as resources other than revenue allocation funds are used.

505 Membership Dues and Support of Community Economic Development

The Act is premised upon economic development being a valid public purpose. To the extent allowed by the Law and the Act, the Agency reserves the authority to use revenue allocation funds to contract with non-profit and charitable organizations established for the purpose of supporting economic development and job creation. Additionally, the Agency reserves the authority to expend revenue allocation funds to join, participate and support non-profit organizations established to support Agency best practices and administration. The line item of Operating Expense within the Study shall be deemed to include expenditures for the purposes described in this section as may be deemed appropriate during the annual budgetary process.

Section 600: Actions by the City of Moscow

The City of Moscow shall aid and cooperate with the Agency in carrying out the Plan and shall take all actions necessary to ensure the continued fulfillment of the purposes of the Plan and to prevent the recurrence or spread of deteriorated or deteriorating conditions in the Legacy Crossing Project Area. Actions by the City may include, but not be limited to, the following:

1. Institution and completion of proceedings necessary for changes and improvements in private and publicly-owned property, rights-of-way, or public utilities within or affecting the Legacy Crossing Project Area;
2. Revision of zoning, if necessary, within the Legacy Crossing Project Area to permit the land uses and development authorized by the Plan;
3. Imposition, wherever necessary, by conditional use permits or other means of appropriate controls within the limits of this Plan upon parcels in the Legacy Crossing Project Area to ensure their proper development and use;
4. Provision for administrative enforcement of the Plan by the City after development, wherein the City and the Agency may develop and provide for enforcement of a program for continued maintenance by owners of all real property, both public and private, within the Legacy Crossing Project Area throughout the duration of the Plan;
5. Building code enforcement;

6. Performance of the above actions and of all other functions and services relating to public peace, health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Legacy Crossing Project Area to be commenced and carried to completion without unnecessary delays;
7. Institutional and completion of proceedings necessary for the establishment of a LID under Chapter 17, Title 50, Idaho Code, or a BID under Chapter 26, Title 50, Idaho Code;
8. The undertaking and completing of any other proceedings necessary to carry out the Legacy Crossing Project;
9. Administration of Community Development Block Grants and other state and federal grant funds that may be made available for the Legacy Crossing Project;
10. Appropriate agreements with the Agency for administration, supporting services, funding sources, and the like;
11. The imposition, whenever necessary (by conditional use permits or overlay zones or other means as appropriate) of controls within the limits of the Plan upon parcels in the Legacy Crossing Project Area to ensure their proper development and use.

Any of the foregoing actions taken by the City shall not constitute any commitment for financial outlays by the City.

Section 601: Maintenance of Public Improvements

The Agency has not identified any commitment or obligation for long-term maintenance of the public improvements identified. The Agency will need to address this issue with the appropriate entity, public or private, who has benefited from or is involved in the ongoing preservation of the public improvement.

Section 700: Enforcement

The administration and enforcement of the Plan, including the preparation and execution of any documents implementing the Plan, shall be performed by the Agency and/or the City, as per adopted procedures and policies.

The provisions of the Plan or other documents entered into pursuant to the Plan may also be enforced by court litigation instituted by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, reentry, injunctions, or any other remedies appropriate to the purposes of the Plan. In addition, any recorded provisions which are expressly for the benefit of owners of property in the Legacy Crossing Project Area may be enforced by such owners.

Section 800: Duration of This Plan

Except for the nondiscrimination and non-segregation provisions, which shall run in perpetuity, the provisions of the Plan shall be effective, and the provisions of other documents formulated pursuant to the Plan shall be effective for twenty-four (24) years from the effective date of the original Plan subject to modifications and/or extensions set forth in Idaho Code § 50-2904. The revenue allocation authority shall expire on December 31, 2032, except for any revenue allocation proceeds received in calendar year 2033, as contemplated by Idaho Code § 50-2905(7).

Idaho Code § 50-2903(5) provides the Agency shall adopt a resolution of intent to terminate the revenue allocation area by September 1. In order to provide sufficient notice of termination to the affected taxing districts to allow them to benefit from the increased budget capacity, the Agency will use its best efforts to provide notice of its intent to terminate this Plan and its revenue allocation authority by May 1, 2033, or if the Agency determines an earlier terminate date, then by May 1 of the early termination year:

1. When the Revenue Allocation Area plan budget estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness, and bonds have been paid in full or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the Agency funded through revenue allocation proceeds shall be satisfied and the Agency has determined no additional project costs need be funded through revenue allocation financing, the allocation of revenues under Idaho Code § 50-2908 shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the affected taxing districts in which the Revenue Allocation Area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the Revenue Allocation Area; and the powers granted to the Agency under Idaho Code § 50-2909 shall thereupon terminate.
2. In determining the termination date, the Plan shall recognize that the Agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the Plan.
3. For the fiscal year that immediately predates the termination date, the Agency shall adopt and publish a budget specifically for the projected revenues and expenses of the Plan and make a determination as to whether the Revenue Allocation Area can be terminated before January 1 of the termination year pursuant to the terms of Idaho Code § 50-2909(4). In the event that the Agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by September 1, the Agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the Idaho State Tax Commission, recommending the adoption of an ordinance for termination of the Revenue Allocation Area by December 31 of the current year, and declaring a surplus to be distributed as described in Idaho Code § 50-2909, should a surplus be determined to exist. The Agency shall cause the ordinance to be filed with the office of the Latah County recorder and the Idaho State Tax Commission as provided in Idaho Code § 63-215.

Upon termination of the revenue allocation authority of the Plan, to the extent the Agency owns or possesses any assets, the Agency shall dispose of any remaining assets by granting or conveying or dedicating such assets to the City of Moscow.

Section 900: Procedures for Amendment

The Plan may be further modified at any time by the Agency, provided that, if modified after disposition of real property in the Legacy Crossing Project Area or after execution of an owner participation agreement, the modifications must be consented to by the developer or developers or their successor or successors of such real property whose interest is substantially affected by the proposed modification. Where the proposed modification will substantially change the Plan, the modifications must be approved by the Moscow City Council in the same manner as the original Plan. Substantial changes for Moscow City Council approval purposes shall be defined as revisions in project boundaries, land acquisition, and other changes which will violate the objectives of the Plan.

Section 1000: Severability

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

Section 1100: Annual Report

Under the Law, the Agency is required to file with the City, on or before March 31 of each year, a report of the Agency's activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such calendar year. This annual report shall be considered at a public meeting to report these findings and take comments from the public.

Additionally, the Agency must comply with certain other reporting requirements as set forth in Idaho Code § 67-450E, and the local government registry portal, Idaho Code § 50-2913, the tax commission plan repository. Failure to report the information requested under any of these statutes results in significant penalties, including loss of increment revenue, and the imposition of other compliance measures by the Latah County Board of County Commissioners.

Attachment 1
Map of Project Area Boundary

CITY OF MOSCOW
LEGACY CROSSING URBAN
RENEWAL DISTRICT AREA

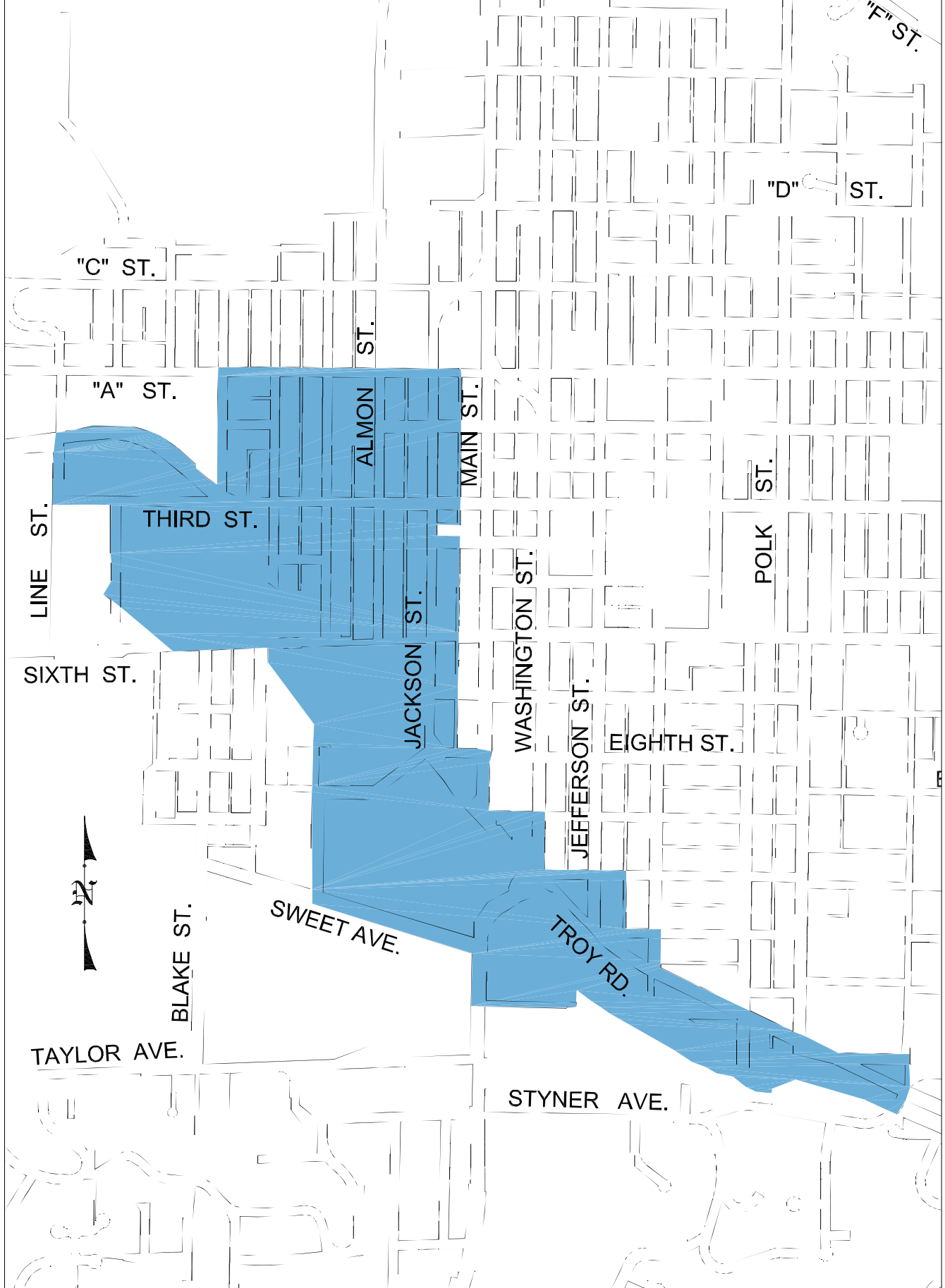
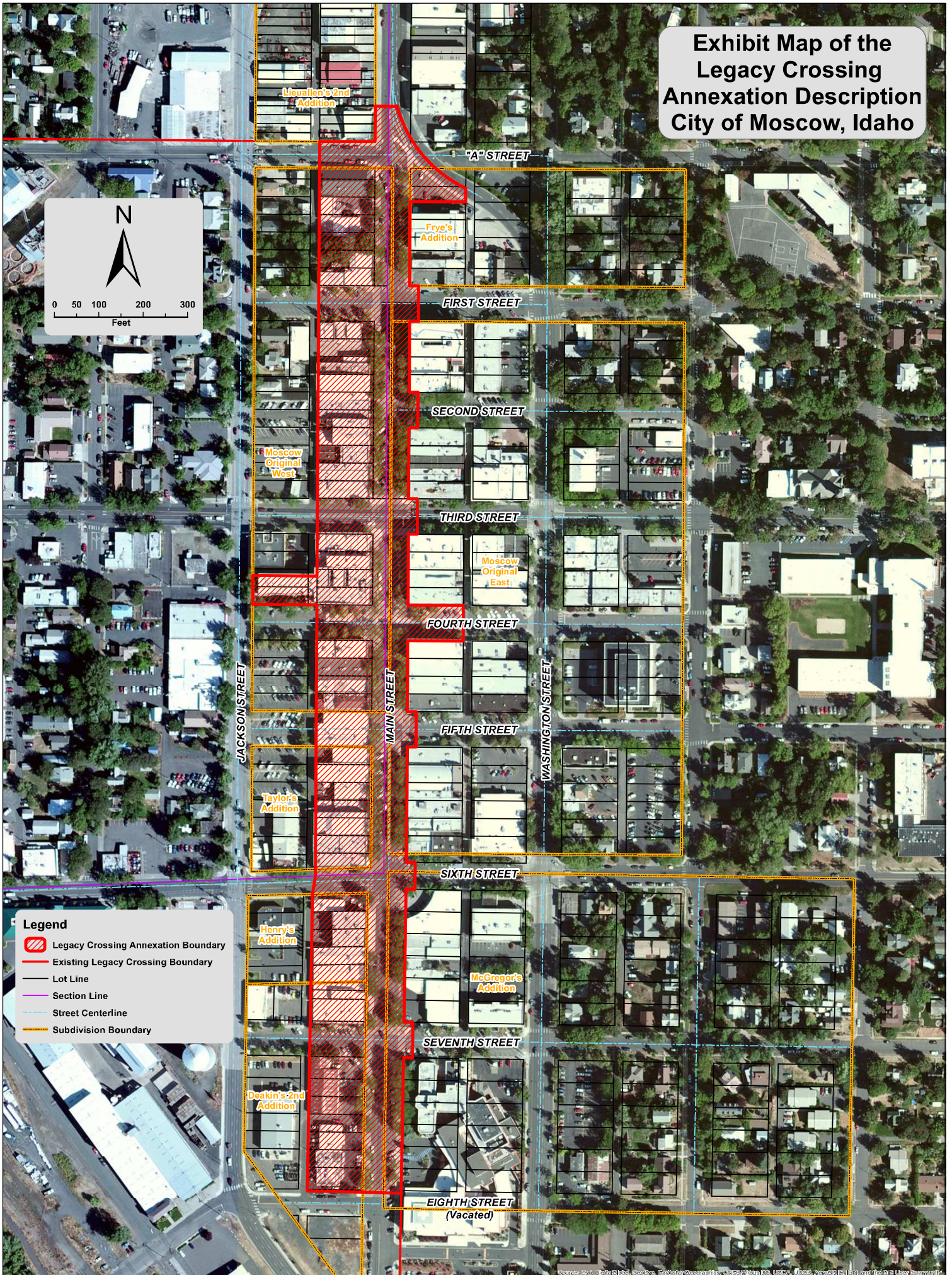
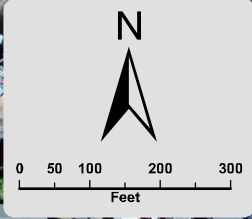


Exhibit Map of the Legacy Crossing Annexation Description City of Moscow, Idaho



Attachment 2
Legal Description of the Legacy Crossing Urban
Renewal District Revenue Allocation Area

DESCRIPTION OF URBAN RENEWAL AGENCY BOUNDARY
LEGACY CROSSING – CITY OF MOSCOW, IDAHO

January 11, 2008
R. Crumley

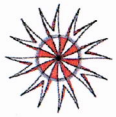
An Urban Renewal Agency boundary located in the City of Moscow, Latah County, Idaho, and being more particularly described as follows:

Commencing at the south quarter corner of Section 7, Township 39 North, Range 5 West, Boise Meridian; thence N00°59'25"E 892.37 feet, along the longitudinal centerline of said Section 7, to a point on the south right-of-way line of Third Street; thence along said south right-of-way line N89°31'48"W 19.48 feet to the point of intersection with the west right-of-way line of Line Street and the TRUE POINT OF BEGINNING of this description;

Thence along said west right-of-way line of Line Street, N00°15'37"E 358.94 feet to the south right-of-way line of State Highway 8; thence N01°32'40"W 134.61 feet to the intersection of the west right-of-way line of Line Street and the north right-of-way line of State Highway 8; thence N85°36'04"E 65.28 feet to the intersection of the east right-of-way line of Line Street and the north right-of-way line of State Highway 8; thence along said north right-of-way line the following courses: S59°49'01"E 24.47 feet, N82°03'47"E 46.54 feet, N82°20'49"E 33.01 feet, N82°20'35"E 30.34 feet, N74°41'56"E 38.83 feet, and N89°44'38"E 241.33 feet to a point of curvature; thence continuing along said north right-of-way line, 159.38 feet along a curve to the right having a radius of 696.62 feet, a central angle of 13°06'31", and a chord bearing of S71°09'06"E 159.03 feet; thence continuing along said right-of-way line S00°28'41"W 16.58 feet to a point of curvature; thence along said right-of-way line, 84.52 feet along a curve to the right having a radius of 681.62 feet, a central angle of 07°06'16" and a chord bearing of S60°27'27"E 84.47 feet; thence continuing along said right-of-way line the following courses: S57°31'48"E 46.74 feet, S49°02'42"E 160.50 feet, S47°54'19"E 10.39, and S51°24'33"E 188.50 feet to the west right-of-way line of Lieuallen Street; thence along said west right-of-way line, N00°33'44"E 728.76 feet to the north right-of-way line of 'A' Street; thence along said north right-of-way line, S89°31'48"E 1513.00 feet to the east right-of-way line of a 20 foot wide platted alley located between Jackson Street and Main Street; thence along said alley right-of-way line, S00°19'27"W 980.00 feet; thence along the south right-of-way of a dedicated 15 foot wide alley, N89°31'48"W 145.00 feet; thence along the east right-of-way line of Jackson Street, S00°19'27"W 65.00 feet; thence along the north right-of-way line of Fourth Street, S89°31'48"E 145.00 feet; thence along the east right-of-way line of said 20 foot wide alley, S00°19'27"W

612.50 feet; thence $S10^{\circ}11'37''W$ 40.90 feet to the intersection of the south right-of-way line of Sixth Street and the east right-of-way line of a platted 20 foot wide alley located between Jackson Street and Main Street; thence along said east right-of-way line, $S00^{\circ}55'56''W$ 669.50 feet; thence along the north right-of-way line of Eighth Street, $S89^{\circ}04'04''E$ 125.00 feet to the west right-of-way line of Main Street; thence $S88^{\circ}13'17''E$ 86.51 feet to the intersection of the east right-of-way line of Main Street and the north right-of-way line of Eighth Street (vacated); thence along the east right-of-way of Main Street, $S00^{\circ}55'56''W$ 323.00 feet; thence along a dedicated right-of-way, $S34^{\circ}12'54''E$ 69.48 feet; thence along the north right-of-way line of Lewis Street, $S89^{\circ}20'02''E$ 161.00 feet; thence along a dedicated right-of-way, $N63^{\circ}10'13''E$ 77.97 feet; thence $S65^{\circ}03'43''E$ 87.57 feet to the intersection of the north right-of-way line of Lewis Street and the east right-of-way line of Washington Street; thence along said east right-of-way line of Washington Street, $S00^{\circ}55'56''W$ 345.00 feet; thence along a dedicated right-of-way, $S43^{\circ}02'47''E$ 20.75 feet; thence along the north right-of-way line of Spotswood Street, $S89^{\circ}20'02''E$ 495.60 feet to the east right-of-way line of a 20 foot wide platted alley between Jefferson Street and Adams Street; thence along said alley right-of-way line, $S00^{\circ}55'56''W$ 360.00 feet; thence along the north right-of-way line of Veatch Street, $S89^{\circ}20'02''E$ 220.00 feet; thence along the east right-of-way line of Adams Street, $S00^{\circ}55'56''W$ 240.00 feet; thence along the northerly right-of-way line of State Highway 8, $S64^{\circ}17'39''E$ 1228.98 feet; thence along the north right-of-way line of White Avenue (currently White Place), $S89^{\circ}20'33''E$ 441.00 feet; thence along the east right-of-way line of Lynn Avenue, $S00^{\circ}42'04''W$ 60.07 feet to a point on the latitudinal centerline of Section 17, Township 39 North, Range 5 West, Boise Meridian; thence $S02^{\circ}00'25''E$ 143.78 feet to the intersection of the northerly right-of-way line of State Highway 8 and the south right-of-way line of White Avenue; thence $S10^{\circ}48'04''W$ 194.47 feet to the intersection of the latitudinal centerline of said Section 17 and the former southerly right-of-way line of the Burlington Northern Railway; thence along said southerly right-of-way line, $N66^{\circ}53'37''W$ 188.68 feet; thence continuing along said former right-of-way line, 442.65 feet along a curve to the left having a radius of 2814.90 feet, a central angle of $09^{\circ}00'36''$, and a chord bearing of $N71^{\circ}23'55''W$ 442.20 feet; thence continuing along said former right-of-way line, $N75^{\circ}54'14''W$ 88.62 feet; thence leaving said former right-of-way line, $S70^{\circ}00'30''W$ 156.64 feet, along the southeasterly boundary of Lot 1, Block 3 of the Deerfield Addition; thence along the southerly boundary of the City of Moscow pathway property the following courses: $S00^{\circ}57'44''W$ 19.85 feet, $N89^{\circ}15'51''W$ 105.00 feet, $N63^{\circ}45'59''W$ 72.01 feet, thence $N50^{\circ}26'38''W$ 111.66 feet; thence $N81^{\circ}44'31''W$ 94.69 feet, $N60^{\circ}04'09''W$ 77.90 feet, and $N82^{\circ}42'25''W$ 87.18 feet to the east boundary line of Berman Park; thence $N69^{\circ}48'55''W$ 357.76 feet to the west boundary line of Berman Park; thence $N23^{\circ}18'04''W$ 140.84 feet along the City of Moscow property to the former southerly right-of-way of the Burlington Northern Railway; thence along said former right-of-way line, 270.28 feet along a curve to the right with a radius of 2342.00 feet, a central angle of $06^{\circ}36'44''$, and a chord bearing of $N57^{\circ}44'43''W$ 270.13 feet; thence continuing along said former right-of-way line,

N54°25'34"W 119.12 feet; thence S00°54'07"W 104.23 feet to the southeast corner of the Henley Street right-of-way; thence along the south right-of-way line of Henley Street, N89°20'34"W 638.67 feet to the west right-of-way line of U.S. Highway 95; thence along said west right-of-way line, N00°46'31"E 339.25 feet; thence along the southerly right-of-way line of Sweet Avenue, N73°22'49"W 1051.40 feet; thence along the west right-of-way line of Railroad Street, N00°56'25"E 966.93 feet to the north end of said right-of-way; thence along the north line of said right-of-way (extended), S88°54'42"E 105.84 feet to the former southwesterly right-of-way line of the Burlington Northern Railway; thence along said former right-of-way line, N36°37'11"W 652.31 feet; thence N00°51'41"E 87.68 feet along the east right-of-way line of Deakin Avenue; thence along the south right-of-way line of Sixth Street, S88°01'17"W 590.26 feet; thence along the southwest boundary of the West Park School tract (extended), N49°54'43"W 429.85 feet to the east right-of-way line of Home Street; thence N63°26'56"W 66.67 feet to a point on the west right-of-way line of Home Street; thence along a dedicated right-of-way, N55°28'13"W 58.41 feet; thence continuing along said right-of-way, N31°18'37"E 95.31 feet; thence along the west right-of-way line of Home Street, N00°42'17"E 472.75 feet; thence along the south right-of-way line of Third Street, N89°31'48"W 363.03 to the west right-of-way line of Line Street and the TRUE POINT OF BEGINNING.



Rim Rock Consulting, Inc.

PROFESSIONAL LAND SURVEYORS
GIS & MAPPING SERVICES

JOHN L. DUNN, PLS / ID, WA / CFEDS
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MICHAEL E. DAHLIN, PLS / ID, WA

May 10, 2018

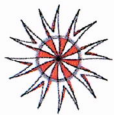
ANNEXATION DESCRIPTION TO THE URBAN RENEWAL AGENCY BOUNDARY, LEGACY CROSSING – CITY OF MOSCOW, IDAHO

An Urban Renewal Agency boundary located in the City of Moscow, Section 7, 8, 17 & 18, Township 39 North, Range 5 West, of the Boise Meridian, Latah County, Idaho, described as follows:

Beginning at the northeast corner of the existing Urban Renewal Agency Boundary being the southwest corner of Lot 24, Block B of Lieuellen's Second Addition to Moscow and the east right-of-way line of a 20 foot wide platted alley between Jackson Street and Main Street;
Thence along said alley right-of-way line, S00°19'27"W, 980.00 feet;
Thence along the south right-of-way line of a dedicated 15 foot wide alley, N89°31'48"W, 145.00 feet;
Thence along the east right-of-way line of Jackson Street, S00°19'27"W, 65.00 feet;
Thence along the north right-of-way line of Fourth Street, S89°31'48"E, 145.00 feet;
Thence along the east right-of-way line of said 20 foot wide alley, S00°19'27"W, 612.50 feet;
Thence S10°11'37"W, 40.90 feet to the intersection of the south right-of-way line of Sixth Street and the east right-of-way line of a platted 20 foot wide alley located between Jackson Street and Main Street;
Thence along said east right-of-way line, S00°55'56"W, 669.50 feet;
Thence along the north right-of-way line of Eighth Street, S89°04'04"E, 125.00 feet to the west right-of-way line of Main Street;
Thence S88°13'17"E, 86.51 feet to the intersection of the east right-of-way line of Main Street and the north right-of-way line of Eighth Street (vacated);
Thence along the east right-of-way line of Main Street, N00°55'56"E, 305.40 feet to the south right-of-way line of Seventh Street;
Thence along said south line, S89°04'04"E, 20.00 feet;
Thence N00°55'56"E, 80.00 feet to the north right-of-way line of Seventh Street;
Thence along said north line, N89°04'04"W, 20.00 feet to the east right-of-way line of Main Street;
Thence along said east line, N00°55'56"E, 300.00 feet to the south right-of-way line of Sixth Street;

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Thence along said south line, S89°04'04"E, 20.00 feet;
Thence N00°35'07"E, 60.63 feet to the north right-of-way line of Sixth Street;
Thence along said north line, N89°40'33"W, 19.91 feet to the east right-of-way line of Main Street;
Thence along said east line, N00°19'27"E, 260.00 feet to the south right-of-way line of Fifth Street;
Thence along said south line, S89°40'33"E, 20.00 feet;
Thence N00°19'27"E, 80.00 feet to the north right-of-way line of Fifth Street;
Thence along said north line, N89°40'33"W, 20.00 feet to the east right-of-way line of Main Street;
Thence along said east line, N00°19'27"E, 160.00 feet to the south right-of-way line of Fourth Street;
Thence along said south line, S89°40'33"E, 125.00 feet to the northeast corner of Lot 1, Block 4 of the Original Plat of Moscow;
Thence N00°19'27"E, 80.00 feet to the southeast corner of Lot 4, Block 3 of the Original Plat of Moscow;
Thence along north right-of-way line of Fourth Street, N89°40'33"W, 125.00 feet to the east right-of-way line of Main Street;
Thence along said east line, N00°19'27"E, 160.00 feet to the south right-of-way line of Third Street;
Thence along said south line, S89°40'33"E, 20.00 feet;
Thence N00°19'27"E, 80.00 feet to the north right-of-way line of Third Street;
Thence along said north line, N89°40'33"W, 20.00 feet to the east right-of-way line of Main Street;
Thence along said east line, N00°19'27"E, 160.00 feet to the south right-of-way line of Second Street;
Thence along said south line, S89°40'33"E, 20.00 feet;
Thence N00°19'27"E, 80.00 feet to the north right-of-way line of Second Street;
Thence along said north line, N89°40'33"W, 20.00 feet to the east right-of-way line of Main Street;
Thence along said east line, N00°19'27"E, 160.00 feet to the south right-of-way line of First Street;
Thence along said south line, S89°40'33"E, 20.00 feet;
Thence N00°19'27"E, 80.00 feet to the north right-of-way line of First Street;
Thence along said north line, N89°40'33"W, 20.00 feet to the east right-of-way line of Main Street;
Thence along said east line, N00°19'27"E, 190.00 feet to the southwest corner of Lot 2, Block 1, of Frye's Addition to Moscow;
Thence along the south line of said Lot, S89°40'33"E, 125.00 feet to the southeast corner of said Lot 2;

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Thence along the east line of said Lot and the northerly projection thereof,
N00°19'27"E, 30.76 feet to the intersection with the centerline of US Highway 95,
Project No. ST-4110(602), Sheet 11;
Thence along said centerline N60°35'14"W, 21.56 feet to the beginning of a
curve to the right;
Thence 227.03 feet along said curve with a radius of 286.48 feet and a chord
which bears N37°53'04"W, 221.13 feet to a point on the easterly projection of the
north line of Lot 21, Block B of Lieuallen's Second Addition to Moscow;
Thence along said easterly projection, N89°40'33"W, 49.38 feet to the northeast
corner of said Lot 21 and the west right-of-way line of Main Street;
Thence along said west line, S00°19'27"W, 80.00 feet to the north right-of-way
line of "A" Street;
Thence along said north line, N89°40'33"W, 125.00 feet to the Point of
Beginning.

Containing 12.25 Acres, more or less.

This description was prepared from the existing Urban Renewal Agency
boundary description, record plat information, (Original Plat of Moscow, Deakin's
2nd Addition, Frye's Addition, Henry's Addition, Lieuallen's 2nd Addition,
McGregor's Addition, and Taylor's Addition), the State of Idaho highway plans
through the City of Moscow, Project No. ST-4110(602), sheet 11, and Quitclaim
Deed instrument number 468146, State of Idaho, Idaho Transportation
Department to the City of Moscow.

This description was prepared by Duane E. Priest on May 10, 2018.



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Attachment 3
Zoning Map of Project Area

Attachment 4
Infrastructure Needs for Improvements within Project Area

Attachment 4
Legacy Crossing Infrastructure Needs Assessment Cost Estimates

PROJECT	LOCATION	FROM	TO	DESCRIPTION	UNITS	QUANTITY	UNIT COST	ESTIMATED COST	URA PARTICIPATION	
									Percentage	Estimated Cost
COMMUNITY INFRASTRUCTURE										
STREET PROJECTS										
Asbury Street Extension	Asbury Street	Sixth Street	S. Terminus near Main Street	Construction of new public street including paving, curbs, gutters, sidewalks, and storm water facilities to serve URA redevelopment area. Requires acquisition of new Right of Way.	LF	1,900	\$1,200	\$2,280,000	75%	\$1,710,000
Almon Street Reconstruction	Almon Street	Third Street	A Street	Work includes reconstruction of Almon Street.	SY	2,550	\$100	\$255,000	50%	\$127,500
Third St./Lieuallen St/SH8 Intersection Reconstruction	Third St./Lieuallen St/SH8 Intersection	N/A	N/A	Reconstruction and realignment of intersection to improve sight distance, merging issues, turning movements, and general traffic flow.	LS	1	\$275,000	\$275,000	50%	\$137,500
Lieuallen Street Improvements	Lieuallen Street	A Street	Third Street	Work includes paving, curbs, gutters, sidewalk, and storm drainage improvements. Requires acquisition of Right of Way.	LF	740	\$800	\$592,000	50%	\$296,000
First Street Improvements	First Street	Lieuallen Street	Lilly Street	Work includes paving, curbs, gutters, sidewalk, and storm drainage improvements.	LF	295	\$600	\$177,000	50%	\$88,500
Fifth Street Improvements	Fifth Street	Lilly Street	Asbury Street	Work includes paving, curbs, gutters, sidewalk, and storm drainage improvements.	LF	285	\$600	\$171,000	50%	\$85,500
Henley Street Improvements	Henley Street	US95 (Main Street)	East Terminus	Work includes paving, curbs, gutters, sidewalk, and storm drainage improvements. Requires acquisition of Right of Way.	LF	500	\$600	\$300,000	50%	\$150,000
Pavement Improvement Program	Throughout URA area	N/A	N/A	Work includes pavement repair and replacement work throughout the District in areas with deteriorating roadway surfaces	SY	22,000	\$45	\$990,000	50%	\$495,000
WATER SYSTEM PROJECTS										
Railroad Corridor Trunk Line Project	Railroad Corridor	College Street	US95 (Main Street)	New 12" diameter water main to provide conveyance to eastern reservoirs and adequate fire flow to URA developments.	LF	1,000	\$225	\$225,000	100%	\$225,000
Railroad Corridor Trunk Line Project	Railroad Corridor	Sixth Street	College Street	New 12" diameter water main to provide conveyance to eastern reservoirs and adequate fire flow to URA developments.	LF	800	\$225	\$180,000	100%	\$180,000

Attachment 4
Legacy Crossing Infrastructure Needs Assessment Cost Estimates

PROJECT	LOCATION	FROM	TO	DESCRIPTION	UNITS	QUANTITY	UNIT COST	ESTIMATED COST	URA PARTICIPATION	
									Percentage	Estimated Cost
New Fire Hydrants Installation	Throughout URA area	N/A	N/A	Installation of new fire hydrants in areas currently lacking in adequate fire protection.	EA	20	\$5,000	\$100,000	50%	\$50,000
A Street Watermain	A Street	Lieuallen Street	Jackson Street	Installation of new 12" water main to provide sufficient fire flow to URA area and conveyance to storage facilities.	LF	1,450	\$225	\$326,250	50%	\$163,125
Railroad Street Watermain	Railroad Street	College Street	Deakin Street	Replacement of existing 4" diameter water main with 8" diameter main.	LF	500	\$90	\$45,000	50%	\$22,500
Fire Hydrants Replacement	Throughout URA area	60% of Fire Hydrants	N/A	Replacement of fire hydrants in excess of 50 years old.	EA	30	\$5,000	\$150,000	50%	\$75,000
SANITARY SEWER PROJECTS										
Sanitary Sewer Manhole Replacements	Throughout URA area	50% of manholes	N/A	Replacement of aged brick or block sewer manholes with new precast manholes to reduce amount of infiltration and inflow.	EA	60	\$3,000	\$180,000	50%	\$90,000
Clay Sewer Mains Replacement - High Priority Areas	Throughout URA area	95% of mains	N/A	Replacement of clay sewer mains in excess of 50 years old.	LF	17,220	\$65	\$1,119,300	20%	\$223,860
Clay Sewer Mains Replacement - Moderate Priority Areas	Throughout URA area	95% of mains	N/A	Replacement of clay sewer mains in excess of 50 years old.	LF	34,440	\$65	\$2,238,600	20%	\$447,720
Lilly/Asbury Sewer Main Replacement	Alley between Lilly and Asbury Streets	Third Street	Sixth Street	Repair/Replacement of deteriorating main with flat grade, and roots.	LF	750	\$65	\$48,750	20%	\$9,750

Attachment 4
Legacy Crossing Infrastructure Needs Assessment Cost Estimates

PROJECT	LOCATION	FROM	TO	DESCRIPTION	UNITS	QUANTITY	UNIT COST	ESTIMATED COST	URA PARTICIPATION	
									Percentage	Estimated Cost
URA Primary Sewer Main	Railroad Corridor	E. of US95	Sixth Street	Construction of 8" sewer main accessible to the URA development.	LF	2,250	\$65	\$146,250	100%	\$146,250
STORM SEWER PROJECTS										
Sixth Street Storm Main Improvements	Sixth Street	Jackson Street	Paradise Creek	Increase size of existing storm main to 30" to address localized flooding during high intensity events	LF	970	\$200	\$194,000	50%	\$97,000
Almon Storm Main Replacement	Almon Street	North Terminus	Sixth Street	Replacement of failing main with root intrusion problems with new 8" Main	LF	500	\$65	\$32,500	50%	\$16,250
Asbury Storm Main Replacement	Asbury Street	North Terminus	Sixth Street	Replacement of failing main with root intrusion problems with new 8" Main	LF	550	\$65	\$35,750	50%	\$17,875
COMMUNITY INFRASTRUCTURE TOTAL										\$4,854,330
STREETSCAPE ENHANCEMENTS										
PROJECT	LOCATION	FROM	TO	DESCRIPTION	UNITS	QUANTITY	UNIT COST	ESTIMATED COST	URA PARTICIPATION	
									Percentage	Estimated Cost
Main Street Streetscape Project	Main Street	A Street	Eighth Street	Work includes curbs, gutters sidewalk, lighting and street furnishing improvements	LF	3,400	\$550	\$1,870,000	70%	\$1,309,000
Main Street Intersection Reconstruction	Throughout URA area	N/A	N/A	Installation, repair, replacement of sidewalk and street furnishings throughout District	EA	6	\$475,000	\$2,850,000	70%	\$1,995,000
Streetscape Improvements	Throughout URA area	N/A	N/A	Installation, repair, replacement of sidewalk and street furnishings and lighting throughout District	LF	6,000	\$250	\$1,500,000	70%	\$1,050,000
STREETSCAPE TOTAL										\$4,354,000

Attachment 4
Legacy Crossing Infrastructure Needs Assessment Cost Estimates

									URA PARTICIPATION	
PROJECT	LOCATION	FROM	TO	DESCRIPTION	UNITS	QUANTITY	UNIT COST	ESTIMATED COST	Percentage	Estimated Cost
COMMUNITY PLACEMAKING										
									URA PARTICIPATION	
PROJECT	LOCATION	FROM	TO	DESCRIPTION	UNITS	QUANTITY	UNIT COST	ESTIMATED COST	Percentage	Estimated Cost
Public Landscape, Park and Plaza Development and Enhancements	Throughout URA area	N/A	N/A	Public landscape and other public space improvement projects	LS	1	\$1,650,000	\$1,650,000	70%	\$1,155,000
Public Art Installations	Throughout URA area	N/A	N/A	Various public art installations throughout the District	EA	10	\$20,000	\$200,000	75%	\$150,000
COMMUNITY PLACEMAKING TOTAL									\$1,305,000	
SPECIAL PROJECTS										
									URA PARTICIPATION	
PROJECT	LOCATION	FROM	TO	DESCRIPTION	UNITS	QUANTITY	UNIT COST	ESTIMATED COST	Percentage	Estimated Cost
Public Parking Development	Throughout URA area	N/A	N/A	Acquisition and development of public parking facilities	EA	300	\$3,750	\$1,125,000	50%	\$562,500
Pedestrian and Bicycle Improvements	Throughout URA area	N/A	N/A	Development and construction of various pedestrian and bicycle pathways, facilities and lighting	LS	1	\$250,000	\$250,000	50%	\$125,000
Engineering, Economic, Market and Architectural Studies or Reports as Needed	Throughout URA area	N/A	N/A	Development of various market, engineering and other studies as may be required to support the area redevelopment	LS	1	\$250,000	\$250,000	100%	\$250,000
Building Demolition, Environmental Remediation, Property Acquisition and Reconditioning	Throughout URA area	N/A	N/A	Various minor building demolition, environmental remediation, and property acquisition that may be required to support the area redevelopment	LS	1	\$650,000	\$650,000	100%	\$650,000
SPECIAL PROJECTS TOTAL									\$1,587,500	
GRAND TOTAL									\$12,100,830	

ATTACHMENT 5

MOSCOW, IDAHO AMENDED AND RESTATED LEGACY CROSSING URBAN RENEWAL DISTRICT TAX INCREMENT FINANCING FEASIBILITY STUDY

April 2018

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MOSCOW, IDAHO
FIRST AMENDED LEGACY CROSSING URBAN RENEWAL DISTRICT
TAX INCREMENT FINANCING FEASIBILITY STUDY

INTRODUCTION AND EXECUTIVE SUMMARY

The Legacy Crossing Urban Renewal District Redevelopment Plan (the “Plan”) was approved by the Moscow City Council on June 2, 2008, through the passage of Ordinance 2008-10. The approval of the Plan and passage of the Ordinance resulted in the establishment of the 163-acre Legacy Crossing District (the “District”). Beginning in 2015 the Moscow City Council became increasingly concerned with the deteriorating condition of the public infrastructure surrounding Main Street which is adjacent to, but outside of, the District.

In August of 2016, following the closure of the Alturas Urban Renewal District, the Council requested the Agency to consider the expansion of the Legacy Crossing District to include the adjacent portion of Main Street, thus allowing the Agency to participate in public infrastructure improvements within the area. On April 2, 2018, the Moscow City Council passed Resolution 2018-00, approving the Legacy Crossing Main Street Boundary Amendment Eligibility Study and directed the Moscow Urban Renewal Agency (“Agency”) to prepare an amendment to the Legacy Crossing District. That area proposed to be annexed is approximately 12 acres in size and is directly adjacent to the east of the current District boundary.

In order to amend the Plan, it is necessary to update the associated financial feasibility study to ensure the urban renewal project is financially feasible considering the needed infrastructure improvements and the anticipated tax increment revenue expected to be created within the District. This study is an update to the 2008 Legacy Crossing Urban Renewal District Tax Increment Financial Feasibility Study that was prepared by Business Planning Consultants, Inc., and covers the time period between the year of the proposed plan amendment in 2018 to the anticipated termination date of the District in 2032.

The needed infrastructure improvements were identified with the assistance of the Moscow Public Works Department after a review of the City’s utility masterplans and interviews with field operations staff. This process identified a number of deficient, undersized, and/or deteriorating utilities, streets, sidewalks that are in need of repair or replacement to support the redevelopment of the district and to improve the deteriorated and deteriorating conditions within the area.

The study concludes that the anticipated tax increment revenues will be sufficient to fund the Agency’s anticipated level of financial participation within the identified projects. The method of funding may vary and the Agency may choose to directly fund infrastructure improvements, utilizing developer participation agreements, and/or utilizing bond financing to fund projects depending upon the timing of the specific project, private development activity or grant or other funding opportunities. The analysis is intended to demonstrate the overall feasibility of the project plan but not necessarily dictate the exact method of execution of the plan which will need to be flexible and adaptable to change conditions and private development activity.

AREA DESCRIPTION

The existing Legacy Crossing District is approximately 163 acres in size and after the additional 12-acre annexed area, the proposed Amended District would total 175 acres in size. The proposed Amended District would start at Henley Street and Highway 8 on the South, continues northwesterly along the eastern boundary of the University of Idaho to South Line Street, at which point the boundary doubles back along West Pullman Road to South Lieouallen Street, where it goes north to West A Street, then east to the easterly right of way of Main, then south along said right-of-way, south to West 8th Street, then southeasterly to Highway 8, east on White Place to Lynn Street, south to Paradise Creek, and finally northwesterly along the south side of Paradise Creek to Henley.

EXISTING LAND USES

Current uses within the proposed Amended District include a wide variety of land uses from limited agricultural industrial, to residential, to a variety of personal, professional, retail, restaurants and other commercial services. As stated in the amended plan the goal is, *"...to eliminate conditions impeding the City's economic growth in an area located between Moscow's historic downtown and the University of Idaho campus, an area designated as Legacy Crossing. The Legacy Crossing District was intended to allow the Agency to pro-actively address issues creating static economic conditions and, by taking actions targeted toward improvement of both underdeveloped properties and those properties in transition. The focus of the district was to spur more rapid land use transition of properties from former agricultural and/or industrial uses to new uses, and thereby transform the area from its current economic liability toward economic vibrancy."*

VALUATION OF THE URBAN RENEWAL AREA

The 2017 base valuation of the Legacy Crossing District is \$44,969,560. According to the Latah County Assessor, the January 1, 2018 valuation of the proposed 12-acre annex area is **\$13,076,968**. The resulting combined base valuation of the proposed Amended District would total \$58,046,528. This includes both real and personal property, plus improvements, and less the homeowners' exemptions.¹

GROWTH PROJECTIONS

There are two elements to the growth projection. The first is the inflationary growth of the base valuation that occurs over time within the area. The second element incorporates the addition of new infrastructure and the added assessed value that occurs as a result of both public and private investment. These two growth factors are utilized to project the tax increment that would be available for the Agency's use in Legacy Crossing. The following paragraphs describe the major assumptions used in these projections.

INFLATIONARY GROWTH RATES

Average population growth rates for the City of Moscow has been fairly modest but steady and just over 1% per year. The total assessed valuation growth for the City has been slightly higher with an average of 1.85% per year over the ten-year period between 2007 and 2017. For the purposes of this study and to remain conservative, 1.0% is utilized as the assumed inflationary annual growth rate.

¹ Latah County Assessor

NEW DEVELOPMENT INCREMENT

As individual properties are developed and the assessed valuation grows, tax increment is created by those projects. In the early years following the District creation in 2008, new development within the District was very limited as a result of the Great Recession and local economic conditions. Beginning in 2017 however, development activity within the District has increased significantly and over \$40 Million in new development projects has either been completed or is under construction at the time of this study. Valuation estimates of these current projects have been incorporated within the new development increment projections. Beyond these known projects it is estimated that new development increment in the future will result in a 9% annual increase to the new development increment. This appears to be a relatively conservative when compared to the 25.9% average annual growth rate that has been observed since 2008.

LEVY RATES

Levy rates change each year but usually only by a very small amount. We assume levy rates will remain constant during the projection period. Table 1 shows current levy rates.

TABLE 1	
CURRENT LEVY RATES BY TAXING DISTRICT 2017	
SCHOOL DISTRICT 281 (EXCLUDING FACILITY BONDS)	0.006502582
CITY OF MOSCOW	0.004922870
LATAH COUNTY	0.004368392
N. LATAH COUNTY HIGHWAY DIST.	0.001389756
MOSCOW CEMETERY DIST.	0.000184443
LATAH COUNTY LIBRARY DIST.	0.000582073
TOTAL CURRENT LEVY RATE	0.017950116

Source: Latah County Treasurer

TAX GENERATION

As discussed previously, tax increment revenues are created by inflationary increases and increased property values that result from new development and construction. The primary purpose of the Legacy Crossing Urban Renewal District designation is to encourage new and higher value development to occur within the District boundaries. Future projected tax revenue includes the previously described assumptions of a 1% annual inflationary growth and 9% annual new development value growth. Table 2 shows the projected tax increment revenues that are anticipated to be generated within the Amended District.

TABLE 2 DISTRICT TAX GENERATION PROJECTION						
Tax Year	Fiscal Year	Inflationary Growth Increment Revenues	New Development Increment Revenues	Total Tax Increment Revenues	Cumulative Increment Revenue	
2018	2019	\$ 6,850	\$ 330,341	\$ 337,191	\$ 337,191	
2019	2020	\$ 10,419	\$ 511,637	\$ 522,056	\$ 859,247	
2020	2021	\$ 20,943	\$ 543,947	\$ 564,890	\$ 1,424,138	
2021	2022	\$ 31,572	\$ 592,902	\$ 624,474	\$ 2,048,612	
2022	2023	\$ 42,307	\$ 646,264	\$ 688,571	\$ 2,737,183	
2023	2024	\$ 53,150	\$ 704,427	\$ 757,577	\$ 3,494,760	
2024	2025	\$ 64,100	\$ 767,826	\$ 831,926	\$ 4,326,686	
2025	2026	\$ 75,161	\$ 836,930	\$ 912,091	\$ 5,238,777	
2026	2027	\$ 86,332	\$ 912,254	\$ 998,586	\$ 6,237,363	
2027	2028	\$ 97,615	\$ 994,357	\$ 1,091,971	\$ 7,329,334	
2028	2029	\$ 109,010	\$ 1,083,849	\$ 1,192,859	\$ 8,522,194	
2029	2030	\$ 120,520	\$ 1,181,395	\$ 1,301,915	\$ 9,824,109	
2030	2031	\$ 132,144	\$ 1,287,721	\$ 1,419,865	\$ 11,243,974	
2031	2032	\$ 143,885	\$ 1,403,616	\$ 1,547,501	\$ 12,791,475	
2032	2033	\$ 155,743	\$ 1,529,941	\$ 1,685,685	\$ 14,477,160	

PUBLIC INFRASTRUCTURE & OTHER INVESTMENTS

With limited exceptions, urban renewal agencies within the State of Idaho are largely restricted to the funding of public infrastructure in support of private development and investment. These public infrastructure investments commonly include items such as water and sewer utility extension or expansion, public roadway expansion and improvement, streetscape and sidewalk improvement, and participation in the development of public amenities such as public facilities, buildings, parks, art installations and similar improvements.

Urban renewal agencies may also acquire and assemble property and fund demolition and environmental remediation activities. These public investments can generally be divided into four components within the MURA public investment portfolio: Community Infrastructure, Streetscape Enhancements, Community Placemaking and Special Projects. All of these investment components are intended to address community needs, improve deteriorating areas, and promote private investment and reinvestment.

As identified within the draft Amended Plan, the total anticipated public investments that are necessary in the Amended Legacy Crossing Urban Renewal District are estimated to be \$12.1 million. There may be some added costs due to inflation, which will be dependent upon when the costs are incurred, but those are not addressed in this report. The projected investments in each of the public investment portfolio categories are shown in Table 3 below.

TABLE 3						
PUBLIC INVESTMENT TIMING						
Fiscal Year	Community Infrastructure	Streetscape Enhancements	Community Placemaking	Special Projects	Total Annual Investments	
2019	\$ -	\$ 35,000	\$ 25,000	\$ 170,000	\$ 230,000	
2020	\$ 175,000	\$ 137,000	\$ 35,000	\$ 15,000	\$ 362,000	
2021	\$ 176,379	\$ 154,332	\$ 44,095	\$ 66,142	\$ 440,947	
2022	\$ 198,458	\$ 173,651	\$ 49,615	\$ 74,422	\$ 496,145	
2023	\$ 222,255	\$ 194,473	\$ 55,564	\$ 83,345	\$ 555,636	
2024	\$ 247,921	\$ 216,931	\$ 61,980	\$ 92,970	\$ 619,802	
2025	\$ 275,623	\$ 241,170	\$ 68,906	\$ 103,359	\$ 689,058	
2026	\$ 305,542	\$ 267,349	\$ 76,386	\$ 114,578	\$ 763,855	
2027	\$ 337,876	\$ 295,641	\$ 84,469	\$ 126,703	\$ 844,689	
2028	\$ 372,839	\$ 326,234	\$ 93,210	\$ 139,815	\$ 932,097	
2029	\$ 410,666	\$ 359,333	\$ 102,666	\$ 154,000	\$ 1,026,665	
2030	\$ 451,612	\$ 395,161	\$ 112,903	\$ 169,355	\$ 1,129,031	
2031	\$ 495,957	\$ 433,963	\$ 123,989	\$ 185,984	\$ 1,239,893	
2032	\$ 544,004	\$ 476,003	\$ 136,001	\$ 204,001	\$ 1,360,009	
2033	\$ 596,083	\$ 521,572	\$ 149,021	\$ 223,531	\$ 1,490,207	
Total	\$ 4,810,214	\$ 4,262,813	\$ 1,258,804	\$ 1,923,205	\$ 12,180,036	

DETERMINATION OF CASH FLOW FEASIBILITY

Table 4 details the annual cash flow projections for the Amended District beginning in FY2019 and continuing to the last tax revenue receipts that would occur in 2033. The projections include the anticipated beginning fund balance, annual tax increment revenues, total annual public investment as detailed in Table 3, annual operational expenses and ending fund balance. The Agency currently has two long-term debt obligations including the bonds utilized to purchase the 6th and Jackson property and the settlement agreement with Latah County regarding the repayment of tax revenues the Agency received due to a County assessment system error that occurred for the 2009, 2010 and 2011 tax years. For the purposes of this assessment, those financial obligations are not detailed separately and are included within Agency's operational expenditures detailed in Table 4 below.

TABLE 4 CASH FLOW PROJECTION										
Fiscal Year	Beginning Fund Balance	Increment Revenue	Annual Public Investment	Agency Operational Expenses	Owner Participation Agreements	Latah County Settlement Agreement	Sixth and Jackson Bond	Total Expenses	Ending Fund Balance	
2019	\$ 248,581	\$ 337,191	\$ 230,000	\$ 79,291	\$ 86,367	\$ 3,500	\$ 43,590	\$ 442,748	\$ 143,023	
2020	\$ 143,023	\$ 522,056	\$ 362,000	\$ 80,877	\$ 63,279	\$ 3,500	\$ 44,056	\$ 553,712	\$ 111,368	
2021	\$ 111,368	\$ 564,890	\$ 440,947	\$ 82,494	\$ 14,197	\$ 5,000	\$ 43,370	\$ 586,009	\$ 90,249	
2022	\$ 90,249	\$ 624,474	\$ 496,145	\$ 84,144	\$ 12,397	\$ 5,000	\$ 43,965	\$ 641,652	\$ 73,072	
2023	\$ 73,072	\$ 688,571	\$ 555,636	\$ 85,827	\$ 12,398	\$ 5,000	\$ 43,472	\$ 702,333	\$ 59,309	
2024	\$ 59,309	\$ 757,577	\$ 619,802	\$ 87,544	\$ 12,397	\$ 5,000	\$ 43,936	\$ 768,679	\$ 48,207	
2025	\$ 48,207	\$ 831,926	\$ 689,058	\$ 89,295	\$ 12,398	\$ 5,000	\$ 44,311	\$ 840,061	\$ 40,073	
2026	\$ 40,073	\$ 912,091	\$ 763,855	\$ 91,080	\$ 12,398	\$ 10,000	\$ 43,599	\$ 920,933	\$ 31,232	
2027	\$ 31,232	\$ 998,586	\$ 844,689	\$ 92,902	\$ 6,892	\$ 12,000	\$ 43,843	\$ 1,000,326	\$ 29,491	
2028	\$ 29,491	\$ 1,091,971	\$ 932,097	\$ 94,760	\$ 6,892	\$ 23,000	\$ -	\$ 1,056,749	\$ 64,714	
2029	\$ 64,714	\$ 1,192,859	\$ 1,026,665	\$ 96,655	\$ 6,892	\$ 24,537	\$ -	\$ 1,154,749	\$ 102,824	
2030	\$ 102,824	\$ 1,301,915	\$ 1,129,031	\$ 98,588	\$ 6,892	\$ -	\$ -	\$ 1,234,511	\$ 170,228	
2031	\$ 170,228	\$ 1,419,865	\$ 1,239,893	\$ 100,560	\$ 6,892	\$ -	\$ -	\$ 1,347,345	\$ 242,748	
2032	\$ 242,748	\$ 1,547,501	\$ 1,360,009	\$ 102,571	\$ 6,892	\$ -	\$ -	\$ 1,469,472	\$ 320,777	
2033	\$ 320,777	\$ 1,685,685	\$ 1,490,207	\$ 104,623	\$ -	\$ -	\$ -	\$ 1,594,830	\$ 411,631	
Total		\$ 14,477,160	\$ 12,180,036	\$ 1,371,212	\$ 267,182	\$ 101,537	\$ 394,142	\$ 14,314,109		

CONCLUSIONS AND RECOMMENDATIONS

It is expected that the Legacy Crossing Urban Renewal District will generate sufficient revenue to fund the identified infrastructure needs. The analysis does rely upon several assumptions regarding the future growth of the base valuation and new increment that results from development and redevelopment activities. These assumptions include the following:

- Inflationary growth is projected to grow at a modest 1% annually. Compared to the City's assessed valuation growth of 1.85% over the past 10 years (much of the Great Recession) the 1% assumption is considered to be a conservative estimate.
- For the 2019-2021 fiscal years, increment estimates for projects currently under construction or in the planning phase have been incorporated within the future increment projections. There is relatively high certainty for these projections.
- Beyond 2021, future new development increment growth is estimated at 9% annual growth. Since the formation of the District, new development has grown by over 28% annually even after accounting for base valuation growth. As a result, the 9% annual growth is considered to be a conservative estimate.

The Moscow Urban Renewal Agency can create an economically vibrant Legacy Crossing project area by:

- Eliminating unsafe, deteriorated, or inadequate public improvements and facilities;
- Assembling and redeveloping parcels to provide an improved environment for development;
- Attracting new commercial and mixed use developments;
- Improving connectivity; and
- Adding to parks, open space and quality of life amenities.

As a result of these Agency activities, an area surrounding a former industrial railway corridor, which has outlived its useful life in that configuration, will be transformed to economic health and will add significantly to Moscow's business, cultural and civic appeal.

The benefits expected in Legacy Crossing will accrue faster if the Agency is willing to make a strong recruiting effort to attract new development partners early in the life of the district. However, the benefits can be achieved before the Legacy Crossing Urban Renewal district ends in calendar 2032, given the Agency's application of the reasonable growth and development expectations underlying the forecasts contained in this report.

At the end of the Legacy Crossing's Plan term, significant increases in assessed values will be returned to the tax rolls, as illustrated in Table 5, below.

TABLE 5 VALUATIONS OVER TIME					
Tax Year	Fiscal Year	Base Valuation	Inflationary Growth	New Development Increment Valuation	Total Valuation
2018	2019	\$ 64,224,358	\$ 235,000	\$ 18,403,272	\$ 82,627,630
2019	2020	\$ 64,866,601	\$ 642,244	\$ 28,503,272	\$ 93,369,873
2020	2021	\$ 65,515,267	\$ 1,290,910	\$ 30,303,272	\$ 95,818,539
2021	2022	\$ 66,170,420	\$ 1,946,062	\$ 33,030,566	\$ 99,200,986
2022	2023	\$ 66,832,124	\$ 2,607,766	\$ 36,003,317	\$ 102,835,442
2023	2024	\$ 67,500,445	\$ 3,276,088	\$ 39,243,616	\$ 106,744,061
2024	2025	\$ 68,175,450	\$ 3,951,092	\$ 42,775,541	\$ 110,950,991
2025	2026	\$ 68,857,204	\$ 4,632,847	\$ 46,625,340	\$ 115,482,545
2026	2027	\$ 69,545,776	\$ 5,321,419	\$ 50,821,621	\$ 120,367,397
2027	2028	\$ 70,241,234	\$ 6,016,876	\$ 55,395,567	\$ 125,636,801
2028	2029	\$ 70,943,647	\$ 6,719,289	\$ 60,381,168	\$ 131,324,814
2029	2030	\$ 71,653,083	\$ 7,428,725	\$ 65,815,473	\$ 137,468,556
2030	2031	\$ 72,369,614	\$ 8,145,256	\$ 71,738,865	\$ 144,108,479
2031	2032	\$ 73,093,310	\$ 8,868,952	\$ 78,195,363	\$ 151,288,673
2032	2033	\$ 73,824,243	\$ 9,599,885	\$ 85,232,946	\$ 159,057,189

The Moscow Urban Renewal Agency can create an economically vibrant Legacy Crossing project area by:

- Eliminating unsafe, deteriorated, or inadequate public improvements and facilities;
- Assembling and redeveloping parcels to provide an improved environment for development;
- Attracting new commercial and mixed use developments;
- Improving connectivity; and
- Adding to parks, open space and quality of life amenities.

As a result of these Agency activities, an area surrounding a former industrial railway corridor, which has outlived its useful life in that configuration, will be transformed to economic health and will add significantly to Moscow's business, cultural and civic appeal.

The benefits expected in Legacy Crossing will accrue faster if the Agency is willing to make a strong recruiting effort to attract new development partners early in the life of the district. However, the benefits can be achieved before the Legacy Crossing Urban Renewal district ends in calendar 2032, given the Agency's application of the reasonable growth and development expectations underlying the forecasts contained in this report.

At the end of the Legacy Crossing's Plan term, significant increases in assessed values will be returned to the tax rolls, as illustrated in Table 5, below.

TABLE 5					
VALUATIONS OVER TIME					
Tax Year	Fiscal Year	Base Valuation	Inflationary Growth	New Development Increment Valuation	Total Valuation
2018	2019	\$ 64,224,358	\$ 235,000	\$ 18,403,272	\$ 82,627,630
2019	2020	\$ 64,866,601	\$ 642,244	\$ 28,503,272	\$ 93,369,873
2020	2021	\$ 65,515,267	\$ 1,290,910	\$ 30,303,272	\$ 95,818,539
2021	2022	\$ 66,170,420	\$ 1,946,062	\$ 33,030,566	\$ 99,200,986
2022	2023	\$ 66,832,124	\$ 2,607,766	\$ 36,003,317	\$ 102,835,442
2023	2024	\$ 67,500,445	\$ 3,276,088	\$ 39,243,616	\$ 106,744,061
2024	2025	\$ 68,175,450	\$ 3,951,092	\$ 42,775,541	\$ 110,950,991
2025	2026	\$ 68,857,204	\$ 4,632,847	\$ 46,625,340	\$ 115,482,545
2026	2027	\$ 69,545,776	\$ 5,321,419	\$ 50,821,621	\$ 120,367,397
2027	2028	\$ 70,241,234	\$ 6,016,876	\$ 55,395,567	\$ 125,636,801
2028	2029	\$ 70,943,647	\$ 6,719,289	\$ 60,381,168	\$ 131,324,814
2029	2030	\$ 71,653,083	\$ 7,428,725	\$ 65,815,473	\$ 137,468,556
2030	2031	\$ 72,369,614	\$ 8,145,256	\$ 71,738,865	\$ 144,108,479
2031	2032	\$ 73,093,310	\$ 8,868,952	\$ 78,195,363	\$ 151,288,673
2032	2033	\$ 73,824,243	\$ 9,599,885	\$ 85,232,946	\$ 159,057,189

Attachment 6
Private Properties Which May be Acquired by the Agency

1. No particular properties have been identified for acquisition by the Agency. The Agency does not intend to purchase property for future development by private persons.
2. The Agency reserves the right to acquire any additional right-of-way or access routes near or around existing or planned rights-of-way.
3. The Agency reserves the right to acquire property needed for the development of public improvements and public facilities.

4840-7715-9779, v. 1

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

General Fund						
	General Agency Revenues	2016	2017	2018	2018	2019
Account Number	Account Description	Actual	Actual	Adopted	12 Month	Proposed
890-000-00-471-00	Investment Earnings	3,842	4,116	1,000	3,000	1,500
890-000-00-478-10	Sale of Land-Alturas	0	0	0	0	125,210
890-000-00-479-01	Refunds & Reimbursements	0	0	0	0	0
890-000-00-498-90	Transfer In: Alturas	58,024	0	0	0	0
890-000-00-498-95	Transfer In: Legacy	0	35,000	65,391	60,791	65,873
	Subtotal General Agency Revenues	61,866	39,116	66,391	63,791	192,583
	Total General Agency Revenues	61,866	39,116	66,391	63,791	192,583

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Account Number	General Agency Expenses Account Description	2016 Actual	2017 Actual	2018 Adopted	2018 12 Month	2019 Proposed
890-880-10-631-10	Postage Expense	24	0	100	50	100
890-880-10-631-20	Printing and Binding	70	98	400	50	400
890-880-10-642-00	Administrative Services	45,000	46,350	47,741	47,741	49,173
890-880-10-642-10	Professional Services - Executive Director	0	0	0	0	0
890-880-10-642-15	Professional Services - Other	4,925	850	6,000	4,500	5,000
890-880-10-642-20	Professional Services - Auditing	4,600	4,700	5,000	4,800	5,000
890-880-10-642-30	Professional Services - Computer	255	2,457	1,000	850	1,000
890-880-10-644-10	Advertising & Marketing Expense	462	293	1,000	250	1,000
890-880-10-644-15	Alturas Marketing/Maintenance	0	2,974	4,500	3,500	3,500
890-880-10-647-10	Travel & Meetings	839	44	1,000	150	1,000
890-880-10-649-10	Professional Development	0	0	1,000	500	1,000
890-880-10-668-10	Liability Insurance	1,507	1,507	1,650	1,650	1,700
890-880-10-669-10	Miscellaneous Expense	342	329	500	250	500
	Subtotal General Agency Expenses	58,024	59,603	69,891	64,291	69,373
	Total General Agency Expenses	58,024	59,603	69,891	64,291	69,373

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Account Number	General Agency Fund Balances Account Description	2016 Actual	2017 Actual	2018 Adopted	2018 12 Month	2019 Proposed
890-000-00-910-00	Beginning Fund Balance Unassigned-General	50,961	44,975	17,681	27,463	30,463
890-899-10-990-00	Ending Fund Balance Unassigned-General	77,875	27,463	18,681	30,463	157,173
890-000-00-910-01	Beginning Fund Balance Assigned - Alturas Portion	0	32,900	30,900	29,926	26,426
890-899-10-990-01	Ending Fund Balance Assigned - Alturas Portion	0	29,926	26,400	26,426	22,926
	Total General Ending Fund Balances	77,875	57,388	45,081	56,888	180,098

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Alturas Fund						
	Alturas Revenues	2016	2017	2018	2018	2019
Account Number	Account Description	Actual	Actual	Adopted	12 Month	Proposed
890-000-00-410-00	Property Taxes-Alturas	0	0	0	0	0
890-000-00-478-10	Sale of Land-Alturas	50	0	0	0	0
890-000-00-479-01	Refunds & Reimbursements	0	0	0	0	0
	Subtotal Alturas Revenues	50	0	0	0	0
	Total Alturas Revenues	50	0	0	0	0
	Alturas Expenses					
Account Number	Account Description					
890-890-10-642-10	Professional Services	154	0	0	0	0
890-890-10-642-12	Land Sale Expense	0	0	0	0	0
890-890-10-644-10	Advertising & Marketing Expense	108	0	0	0	0
890-890-10-647-10	Travel & Meetings	0	0	0	0	0
890-890-10-658-10	Repairs & Maintenance & CC&Rs	4,017	0	0	0	0
890-890-10-669-10	Miscellaneous Expense	0	0	0	0	0
890-890-10-800-00	Termination Plan	849,956	0	0	0	0
	Subtotal Operational Expenses	854,235	0	0	0	0
	Capital Outlay					
Account Number	Account Description					
890-890-10-770-73	Improvements	0	0	0	0	0
	Subtotal Capital Outlay	0	0	0	0	0

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Alturas Transfers		2016	2017	2018	2018	2019
Account Number	Account Description	Actual	Actual	Adopted	12 Month	Proposed
890-890-10-890-00	Transfer to: General Fund	58,024	0	0	0	0
890-890-10-900-01	Contingency	0	0	0	0	0
	Subtotal Transfers	58,024	0	0	0	0
Alturas Debt Service						
Account Number	Account Description					
890-899-11-790-01	Bond Principal-Alturas	0	0	0	0	0
890-899-11-790-01	Bond Principal-Alturas Prepayment	0	0	0	0	0
890-899-11-791-01	Bond Interest-Alturas	0	0	0	0	0
	Subtotal Debt Service	0	0	0	0	0
	Total Alturas Expenses	912,259	0	0	0	0
Alturas Fund Balances						
Account Number	Account Description					
890-000-00-911-00	Beginning Fund Balance Assigned-Alturas	935,281	0	0	0	0
890-000-00-911-01	Beginning Fund Balance Restricted-Alturas	0	0	0	0	0
890-899-11-990-00	Ending Fund Balance Assigned-Alturas	0	0	0	0	0
890-899-11-990-01	Ending Fund Balance Restricted-Alturas	0	0	0	0	0
	Total Alturas Ending Fund Balances	0	0	0	0	0

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Legacy Crossing Fund

	Legacy Crossing Revenues	2016	2017	2018	2018	2019
Account Number	Account Description	Actual	Actual	Adopted	12 Month	Proposed
890-000-00-410-01	Property Taxes-Legacy	179,552	179,343	228,980	218,000	351,993
890-000-00-431-11	EPA Clean-up Grant - Legacy	145,940	14,724	0	0	0
890-000-00-478-11	Sale of Land-Legacy	0	0	0	0	150,000
	Total Legacy Crossing Revenues	325,492	194,067	228,980	218,000	501,993

Legacy Crossing Expenses

Account Number	Account Description					
890-895-10-642-10	Professional Services	4,447	7,523	10,000	10,000	15,000
890-895-10-642-12	Land Sale Expense	3,850	0	0	0	5,000
890-895-10-644-10	Advertising & Marketing Expense	0	0	2,000	500	1,000
890-895-10-647-10	Travel & Meetings	0	0	1,000	500	1,000
890-895-10-652-10	Heat, Lights & Utilities	2,151	3,061	2,000	2,000	2,000
890-895-10-658-51	Development Participation	0	157,340	0	126,898	215,000
	<i>Legacy Public Infrastructure</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>Legacy Streetscape</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>94,048</i>	<i>15,000</i>
	<i>Legacy Placemaking</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>15,000</i>
	<i>Legacy Special Projects</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>32,850</i>	<i>185,000</i>
890-895-10-669-10	Miscellaneous Expense	171	179	1,000	250	500
890-895-10-675-00	Fiscal Agent Trustee Fees	1,500	1,500	1,750	1,750	1,800
890-895-10-676-17	Owner Participation Agreements	10,966	27,111	21,385	65,994	86,367
	Subtotal Operational Expenses	23,085	196,714	39,135	207,892	327,667

Legacy Crossing Contingency

Account Number	Account Description					
890-895-10-900-01	Contingency	0	0	15,000	0	15,000
	Subtotal Contingency	0	0	15,000	0	15,000

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Legacy Crossing Capital Outlay		2016	2017	2018	2018	2019
Account Number	Account Description	Actual	Actual	Adopted	12 Month	Proposed
890-895-10-770-71	Land	0	0	0	0	0
890-895-10-770-73	Improvements	145,940	23,164	0	0	0
890-895-10-770-73	EPA Clean-up	0	0	0	0	0
890-895-10-770-97	Infrastructure Improvements	0	0	0	0	0
	Subtotal Capital Outlay	145,940	23,164	0	0	0
Legacy Crossing Transfers						
Account Number	Account Description					
890-895-10-890-00	Transfer To: General Agency Fund	0	35,000	65,391	60,791	65,873
890-895-10-890-01	Transfer To: Capital Fund	0	0	232,310	0	0
	Subtotal Transfers	0	35,000	297,700	60,791	65,873
Legacy Crossing Debt Service						
Account Number	Account Description					
890-899-12-790-01	Bond Principal-Legacy	25,000	27,000	0	28,000	319,000
890-899-12-791-01	Bond Interest-Legacy	15,632	14,536	0	15,999	14,590
890-895-10-676-15	Latah County Reimbursement Agreement	2,000	3,500	3,500	3,500	3,500
	Subtotal Debt Service	42,632	45,036	3,500	47,499	337,090
	Total Legacy Crossing Expenses	211,657	299,914	355,335	316,182	745,630

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Legacy Crossing Fund Balances		2016	2017	2018	2018	2019
Account Number	Account Description	Actual	Actual	Adopted	12 Month	Proposed
890-000-00-912-00	Beginning Fund Balance Assigned-Legacy	367,021	480,855	149,746	369,748	271,566
890-000-00-912-01	Beginning Fund Balance Restricted-Legacy	44,312	44,312	0	49,572	49,572
890-899-12-990-00	Ending Fund Balance Assigned-Legacy	480,855	369,748	23,390	271,566	27,930
890-899-12-990-01	Ending Fund Balance Restricted-Legacy	44,312	49,572	0	49,572	49,572
Total Legacy Crossing Ending Fund Balances		525,167	419,320	23,390	321,138	77,502

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Sources and Uses Budget Statement	2016 Actual	2017 Actual	2018 Adopted	2018 12 Month	2019 Proposed
Sources					
Revenue	387,408	233,183	295,371	281,791	694,576
Beginning Fund Balance	1,397,575	603,042	198,327	476,708	378,026
Total Sources	1,784,983	836,225	493,697	758,499	1,072,602
Uses					
Expenses	1,181,941	359,517	425,226	380,473	815,003
Ending Fund Balance	603,042	476,708	68,471	378,026	257,600
Total Uses	1,784,983	836,225	493,697	758,499	1,072,602

MOSCOW URBAN RENEWAL AGENCY FY 2019 BUDGET

FISCAL YEAR October 1, 2018 to September 30, 2019

Account Description	PROPOSED REVENUES:				
	2016	2017	2018	2018	2019
	Actual	Actual	Adopted	12 Month	Proposed
Total Tax Increment	\$ 179,552	\$ 179,343	\$ 228,980	\$ 218,000	\$ 351,993
Total Intergovernmental Revenue	\$ 145,940	\$ 14,724	\$ -	\$ -	\$ -
Total Interfund Transfers	\$ 58,024	\$ 35,000	\$ 65,391	\$ 60,791	\$ 65,873
Total Miscellaneous Income	\$ 3,892	\$ 4,116	\$ 1,000	\$ 3,000	\$ 276,710
Total Revenue	\$ 387,408	\$ 233,183	\$ 295,370	\$ 281,791	\$ 694,576
Beginning Fund Balance	\$ 1,397,575	\$ 603,042	\$ 198,327	\$ 476,708	\$ 378,026
Total Resources Available	\$ 1,784,983	\$ 836,225	\$ 493,697	\$ 758,499	\$ 1,072,602

Account Description	PROPOSED EXPENDITURES:				
	2016	2017	2018	2018	2019
	Actual	Actual	Adopted	12 Month	Proposed
Total Expenses	\$ 143,412	\$ 279,481	\$ 126,335	\$ 272,183	\$ 412,040
Total Debt Service	\$ 42,632	\$ 45,036	\$ 3,500	\$ 47,499	\$ 337,090
Total Other Financing Uses	\$ 849,956	\$ -	\$ -	\$ -	\$ -
Total Interfund Transfers	\$ -	\$ 35,000	\$ 65,391	\$ 60,791	\$ 65,873
Total Capital Outlay	\$ 145,940	\$ -	\$ 230,000	\$ -	\$ -
Total Expenditures	\$ 1,181,941	\$ 359,517	\$ 425,226	\$ 380,473	\$ 815,003
Ending Fund Balance	\$ 603,042	\$ 476,708	\$ 68,471	\$ 378,026	\$ 257,600
Total Expenditures	\$ 1,784,983	\$ 836,225	\$ 493,697	\$ 758,499	\$ 1,072,602

Legacy Crossing District Capital Improvement Plan										
Community Infrastructure Projects										
Project Name	Project Description	Project Cost	Agency Contribution	Construction Year	Status	2017	2018	2019	2020	2021
Almon and First Street Repaving	Grind and inlay of Almon Street between 3rd Street and A Street and First between Almon and Jackson	\$ 400,000.00	\$ 150,000.00	2021	Planned			\$ -	\$ 150,000.00	\$ -
District Pavement Improvements	General Roadway/Alley Improvements within District		\$ 50,000.00	Various	Planned		\$ -	\$ -	\$ -	\$ 50,000.00
	Community Infrastructure Projects Total	\$ 400,000.00	\$ 200,000.00			\$ -	\$ -	\$ -	\$ 150,000.00	\$ 50,000.00
Streetscape Enhancement Projects										
Project Name	Project Description	Project Cost	Agency Contribution	Construction Year	Status	2017	2018	2019	2020	2021
6th and Jackson Turn Lane Realignment	Right-of-way acquisition, curbing, paving, sidewalks and intersection improvements to shift the east bound right turn lane southward to improve intersection alignment	\$ 320,000.00	\$ 172,375.00	2017	Completed	\$ 172,375.00				
3rd and Jackson Streetscape	Sidewalk repair 50% OPA upfront payment	\$ 45,048.00	\$ 45,048.00	2017	Completed	\$ -	\$ 45,048.00			
3rd Street sidewalk ITD participation	Partnership with City and ITD for sidewalk replacement Nissian Dealer	\$ 5,542.00	\$ 5,542.00	2017	Completed	\$ 5,542.00				
Dawson's Corner Streetscape Repair	Sidewalk repair 50% OPA upfront payment	\$ 19,083.50	\$ 19,083.50	2017	Completed	\$ 19,083.50				
3rd Street Corridor Lighting & Sidewalk Improvements	Sidewalk reconstruction on Third Street between Lieuallen and Jackson Street	\$ 887,000.00	\$ 87,000.00	2020	Committed				\$ 87,000.00	
Turnstone Flats Streetscape Project	ADA Improvements Sidewalk replacement, pavers and lights	\$ 95,000.00	\$ 34,000.00	2018	Committed		\$ 34,000.00			
Sixth Street Corridor Lighting	Decorative lighting fixture installations on Sixth Street Deakin and Jackson Street	\$ 650,000.00	\$ 75,000.00	2021	Planned					\$ 75,000.00
General Streetscape Improvements	General Streetscape enhancement projects within the District	\$ 500,000.00	\$ 70,500.00	Various	Planned	\$ 3,000.00	\$ 15,000.00	\$ 15,000.00	\$ 12,500.00	\$ 25,000.00
	Streetscape Enhancement Projects Total	\$ 2,521,673.50	\$ 508,548.50			\$ 200,000.50	\$ 94,048.00	\$ 15,000.00	\$ 99,500.00	\$ 100,000.00
Community Placemaking Projects										
Project Name	Project Description	Project Cost	Agency Contribution	Construction Year	Status	2017	2018	2019	2020	2021
Lieuallen and Third Beautification Project	Streetscape and landscape enhancements per the 2015 City Beautification Plan	\$ 150,000.00	\$ 75,000.00	2019	Planned				\$ 50,000.00	\$ 25,000.00
South Couplet Beautification Project	Streetscape and landscape enhancements per the 2015 City Beautification Plan	\$ 150,000.00	\$ 50,000.00	2018	Planned		\$ -			\$ 50,000.00
Public Art Installation	Public Art installations in various locations	\$ 100,000.00	\$ 50,000.00	Various	Planned		\$ -	\$ 15,000.00	\$ 35,000.00	\$ -
	Community Placemaking Projects Total	\$ 400,000.00	\$ 175,000.00			\$ -	\$ -	\$ 15,000.00	\$ 85,000.00	\$ 75,000.00
Special Projects										
Project Name	Project Description	Project Cost	Agency Contribution	Construction Year	Status	2017	2018	2019	2020	2021
Downtown Restroom Project	Financial contribution toward construction of public restroom near Friendship Square	\$ 200,000.00	\$ 27,000.00	2017	Completed	\$ 27,000.00				
Paradise Creek Floodplain Study	Study of floodplain near South Couplet to promote redevelopment in area	\$ 20,200.00	\$ 10,850.00	2018	Completed		\$ 10,850.00			
Styner/White Pedestrian Underpass Project	Financial contribution toward the construction of pedestrian underpass of State Highway 8 at the Styner/White intersection	\$ 500,000.00	\$ 15,000.00	2018	Committed		\$ 15,000.00			
Sixth and Jackson Property Development	Hello Walk construction at Sixth and Jackson Property	\$ 185,000.00	\$ 185,000.00	2018	Committed	\$ -		\$ 185,000.00		
South Main Underpass Study	Study of pedestrian underpass of South Main at Paradise Creek	\$ 14,000.00	\$ 7,000.00	2018	Committed		\$ 7,000.00			
South Main Underpass Construction	Construction of pedestrian underpass of South Main at Paradise Creek	\$ 650,000.00	\$ 100,000.00	2021	Planned					\$ 100,000.00
First to Lieuallen Pathway Project	Construction of pedestrian/bicycle pathway along First Street alignment between Almon and Lieuallen Street to Crossing at Highway 8	\$ 60,000.00	\$ 60,000.00	2021	Planned					\$ 60,000.00
	Special Projects Total	\$ 1,629,200.00	\$ 404,850.00			\$ 27,000.00	\$ 32,850.00	\$ 185,000.00	\$ -	\$ 160,000.00
Annual Investments										
Projected District Investment Portfolio						2017	2018	2019	2020	2021
Community Infrastructure Projects			\$ 200,000.00			\$ -	\$ -	\$ -	\$ 150,000.00	\$ 50,000.00
Streetscape Enhancement Projects			\$ 541,221.50			\$ 232,673.50	\$ 94,048.00	\$ 15,000.00	\$ 99,500.00	\$ 100,000.00
Community Placemaking Projects			\$ 175,000.00			\$ -	\$ -	\$ 15,000.00	\$ 85,000.00	\$ 75,000.00
Special Projects			\$ 404,850.00			\$ 27,000.00	\$ 32,850.00	\$ 185,000.00	\$ -	\$ 160,000.00
Total			\$ 1,321,071.50			\$ 259,673.50	\$ 126,898.00	\$ 215,000.00	\$ 334,500.00	\$ 385,000.00