



Minutes: Thursday, April 19, 7:00 a.m.

City of Moscow Council Chambers • 206 E 3rd Street • Moscow, ID 83843

Commissioners Present	Commissioners Absent	Also in Attendance
Steve McGeehan, Chair	Art Bettge	Bill Belknap, MURA Executive Director
Trent Bice	Steve Drown	Anne Peterson, MURA Clerk
Dave McGraw		
Ron Smith		
Brandy Sullivan		

Chair McGeehan called the meeting to order at 7:00 a.m.

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 April 5, 2018

B. March 2018 Payables

C. March 2018 Financials

Smith moved approval, seconded by McGraw. Motion carried.

2. **Public Comment for items *not on agenda*:** Three minute limit.

None.

3. **Announcements**

None.

4. **Legacy Crossing District Plan Amendment Review – Bill Belknap**

On April 2nd, City Council approved the eligibility report and requested the Agency to proceed with the amendment of the Legacy Crossing District to include the adjacent portion of Main Street. Staff has begun the process of updating the Plan and the associated infrastructure improvement needs and financial feasibility analysis. Staff will present the preliminary draft for discussion and review.

Belknap reviewed the steps for District formation or amendment that are required by State statute, as well as which portions of the current Legacy Crossing Plan that would need to be amended such as the boundary map, legal descriptions, and the infrastructure needs assessment. The Agency's estimated participation cost would increase about \$5 Million.

There were a few questions about which projects were new to the proposed plan. McGraw reiterated his concern about increasing the District size since the additional repairs existed when the District was created. Belknap said the change is the current Council has observed the continued deterioration and asked for Agency assistance. As a downtown business owner himself, Bice noted that Main Street is a focal point for the City but the sidewalks are in terrible condition. Sullivan thought the proposed expansion area should have been included in the first place and this is an opportunity to correct the error.

McGeehan asked if staff had received input from other downtown business owners. Belknap said he hadn't heard any concerns yet. He anticipates support and said people will have plenty of opportunity to provide input throughout the process.

The feasibility study prepared by staff is a general review of anticipated district revenues based on assumptions about growth of the base valuations, increment estimates for projects currently under construction or in the planning phase, a conservative estimate of future new development increment growth, and that levy rates will remain the same. There are a variety of funding mechanisms including OPAs, bond financing, private development or grant funding. The Agency does not intend to purchase property for future private development but reserves the right to acquire additional right-of-way or access routes, or property needed for development of public improvements and facilities.

Sullivan asked if the Agency would have the extra \$5 Million for identified improvements. Belknap there is adequate funding throughout the District to cover those expenditures, with the increment revenue expected to come from the base valuation growth. He added the Agency has an annual operational expense of about \$100,000 to cover existing OPAs, etc. The feasibility study concluded that Legacy Crossing will generate sufficient revenue to fund the identified infrastructure needs, but added that identification of need does not obligate the Agency to cover every improvement. He said it was important to remain flexible to accommodate changes in market conditions. The 5-year Capital Improvement Plan and Annual Budget processes will allow opportunities to monitor.

Next steps: Draft plan is being reviewed by Agency's legal counsel and staff is seeking input and direction from the Agency Board. Once that is all finalized it will be formally reviewed for approval by the Board, followed by City Council, P&Z will review for conformance with the Comprehensive Plan, and then Council will conduct a public hearing to consider adoption. Victoria Seever said the Agency has helped with City entryways and other "new" areas and she fully supported that "old" downtown not be forgotten.

Sullivan said the condition of Main Street fully meets the criteria for Agency assistance. She thought following the rules for expansion and being honest and transparent about why the Agency wishes to expand will make it a positive move. She added that the Agency is more established now, people understand it better, and it is currently under more stable leadership. Bice said he was surprised to learn that Main Street wasn't included previously and those in opposition during initial district creation were a vocal minority operating under several misconceptions about what a URA district would mean for them. Smith could see the benefit of the expansion and was comfortable with it. Staff was instructed to proceed.

At 8:00am, McGeehan excused himself and turned the meeting over to Sullivan.

5. Opportunity Zone Designation Report – Bill Belknap

Opportunity Zones are a new community development program established by Congress in the Tax Cuts and Jobs Act to encourage long-term investments in low-income urban and rural communities. Private investment vehicles that place 90 percent or more of their funds into an Opportunity Zone can earn tax relief on the capital gains generated through those investments and the tax benefits increase the longer investments are in place. Under the program, low-income census tracts where the poverty rate is 20 percent or greater and/or family income is less than 80 percent of the area's median income were eligible to be designated as Opportunity Zone. Under the program, each state was able to nominate a minimum of 25 total eligible census tracts but no more than 25% of the total number of eligible census tracts within the state. The City of Moscow made application for all three of the eligible census tracts in Moscow, two

of which covered much of the Legacy Crossing District. On March 28th, Staff was notified that Governor Otter's final nomination list to U.S. Department of Treasury included two of the three Moscow census tracts, and on April 9th, Staff received notification that the Governor's list had been approved for formal Opportunity Zone Designation. Staff intends to begin work with our commercial real estate services provider to develop a marketing and advertising effort to increase awareness of this opportunity within the City and Legacy Crossing.

Board members had no comments or questions.

6. FY2018 Budget Update – Bill Belknap

During the FY2018 budget development process, staff moved the two prior capital outlay line items into a new capital fund that aligned with the capital improvement plan developed in conjunction with the 2016 Strategic Plan. It was recently identified that the Agency cannot classify these expenditures as capital expenditures as the Agency does not ultimately own the improvements or property adjacent to where the public improvements are completed (with the exception of the 6th and Jackson property). This has created the need to generate a new expense line item within the Legacy Crossing Fund to record these expenditures. Staff is advising the Board of this matter and its impact on the monthly financial reports and future budget organization.

Board members had no comments or questions.

7. General Agency Updates – Bill Belknap

- Legacy Crossing District
 - City Council agreed to fund half of the next phase of the flood study.
- Alturas District
 - None.
- General Agency Business
 - Nothing additional.

The meeting adjourned at 8:13 AM.



Steve McGeehan, Agency Chair

5-17-18
Date