



Annual Report

& Financial Statements for Fiscal Year 2023





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2023 Annual Report



2023 ANNUAL REPORT FOR THE MOSCOW URBAN RENEWAL AGENCY

The Mission of the Moscow Urban Renewal Agency (Agency) is to promote and support projects that achieve sustainable economic growth, vitality, and which enhance the community.

Per Idaho Code §50-2006(c), urban renewal agencies are to provide an annual report by March 31st of each year to the jurisdiction's governing body. For the Agency, that is the Moscow City Council. This report is submitted in fulfillment of that requirement and to provide information to the public. The report will be available from March 1st through March 21st, for inspection during business hours in the Urban Renewal Agency's office, City Clerk's office, or on the Agency website at www.moscowura.com.

As required by Idaho Code §50-2006(c), the Agency will consider for approval the draft annual report of the Agency's 2023 activities at their meeting on March 21st, 2024. Written comments are welcome and may be submitted to the Agency in advance of the meeting. Comments and responses from that period will be included in the final version of this report.

The comment period will remain open from March 1st through March 21st, 2024.

FOR MORE INFORMATION...

As required by Idaho Code §50-2011(f), the annual report identifies the real property held by the Agency and sets forth the reasons such property remains unsold and indicates the Agency's plans for disposition of the real property, if necessary. If you have any questions or to submit comments, please contact:

Cody Riddle, Executive Director
504 S. Washington Street, Moscow, Idaho 83843
(208)883-7027
www.moscowura.com
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Understanding URAs

Urban renewal and revenue allocation financing are the most significant tools available to Idaho communities for attracting and retaining businesses, generating economic development, promoting job creation and encouraging development of deteriorating and underutilized areas. The State of Idaho provides limited options for cities and counties to use in financing site preparation, infrastructure and other needed incentives necessary to attract and retain businesses. Revenue allocation financing allows communities to make a site ready for development, including extending water, sewer, streets and other improvements that reduce the cost to businesses of relocating or expanding.

Urban renewal and revenue allocation financing is particularly important because of the competitive nature of economic development, where Idaho communities face competition from communities in other states or countries where incentives such as tax abatements, local revenue sharing, and incentives for recruitment often exist. Many Idaho cities (some with more than one project area), have chosen these tools to revitalize their city. The positive impacts of urban renewal can be seen across the state of Idaho.



CONTENTS

Moscow Urban Renewal Agency Profile	3
Agency Board of Commissioners	5
The Districts of the Agency	6
Alturas Technology Park Urban Renewal District	7
Legacy Crossing Urban Renewal District.....	8
Inventory of MURA Owned Properties	10
Public Comments	12
Legal Notice.....	13
Financial Statements	14



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MOSCOW URBAN RENEWAL AGENCY PROFILE

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

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

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

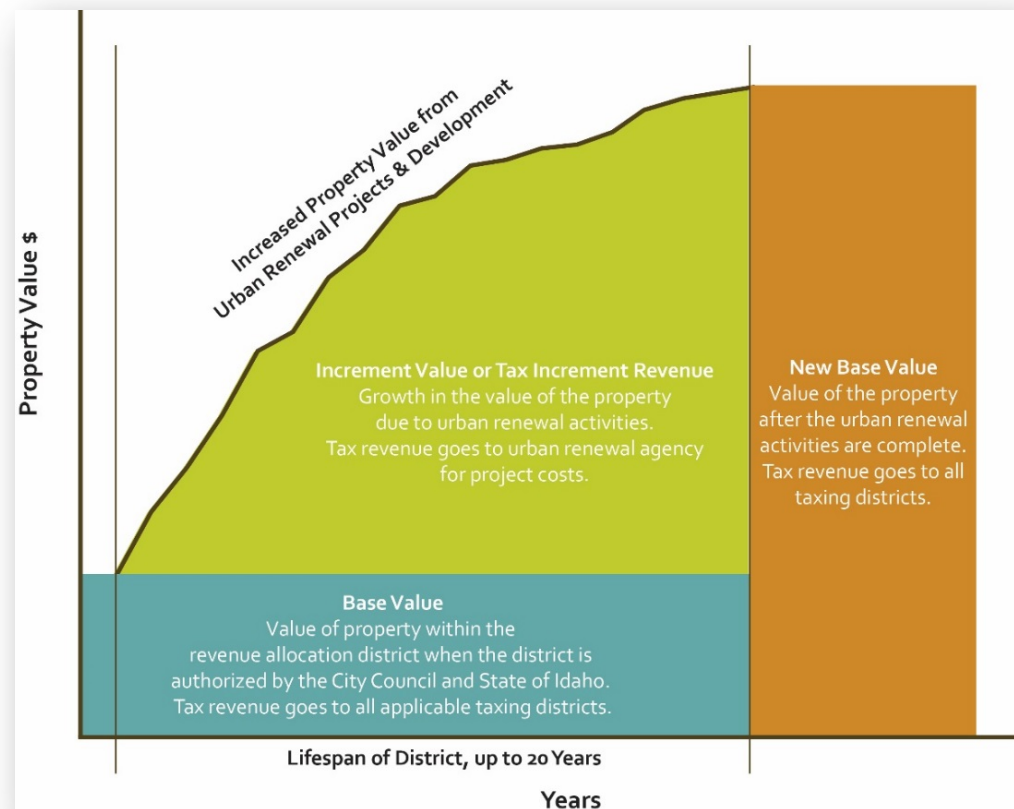
The Chairperson is the Chief Presiding Officer of the Agency. The Chair executes all deeds, bonds, contracts and other legal documents authorized by the Commission. Some of the Chair's duties may be delegated by the Board of Commissioners to the Agency's Executive Director who oversees the day-to-day 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 Alturas Technology Park District was created in 1995 and the Legacy Crossing District was created in 2008. The Agency works with the City of Moscow and the private sector to remedy blight and to facilitate economic development within these two districts. The Agency's activities within these districts are directed by specific urban renewal plans adopted by the Moscow City Council. The Agency provides funding for these efforts through the use of tax increment financing.

As illustrated in the graphic on this page, when the city establishes a tax increment financing district, the value on the property in the district is set as of the date the district is created. The property tax revenue collected on this base value goes to the various taxing entities providing services to that property. Any increase in value over the base is called the increment value and the tax revenue generated from the increment value is transferred to the Agency.

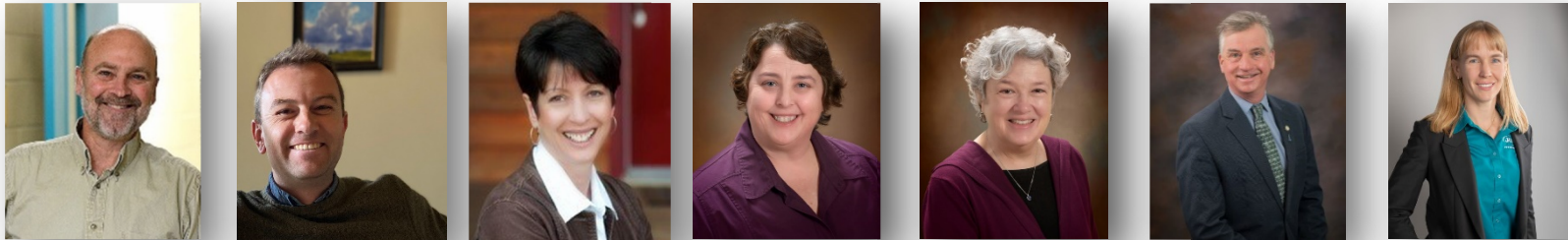
These tax increment revenues are used by the Agency to pay for public improvements and other revitalization activities in that district. When the district closes (previously 24 years when the Legacy Crossing District was created and now currently 20 years), the increment value is added back to the base value on the tax rolls. This helps diversify and strengthen the economic bases of both the city and 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.



AGENCY BOARD OF COMMISSIONERS

The Agency is comprised of seven Commissioners appointed by the Mayor, and confirmed by the City Council, with terms specified by the Mayor, as authorized by Moscow City Council Resolution 2008-17. Officers of the agency consist of a Chairperson, Vice Chairperson, Secretary and Treasurer. Formal policy decisions are made by the Agency Board of Commissioners. In all significant financial matters, the Board receives recommendations from a standing Finance Committee that is comprised of two Board members and three community members.



2023 MURA Board *(pictured from left to right)*

Steve McGeehan, Chair

Mark Beauchamp, Vice Chair

Nancy Tribble, Secretary

Sandra Kelly, City Council

Maureen Laflin, City Council

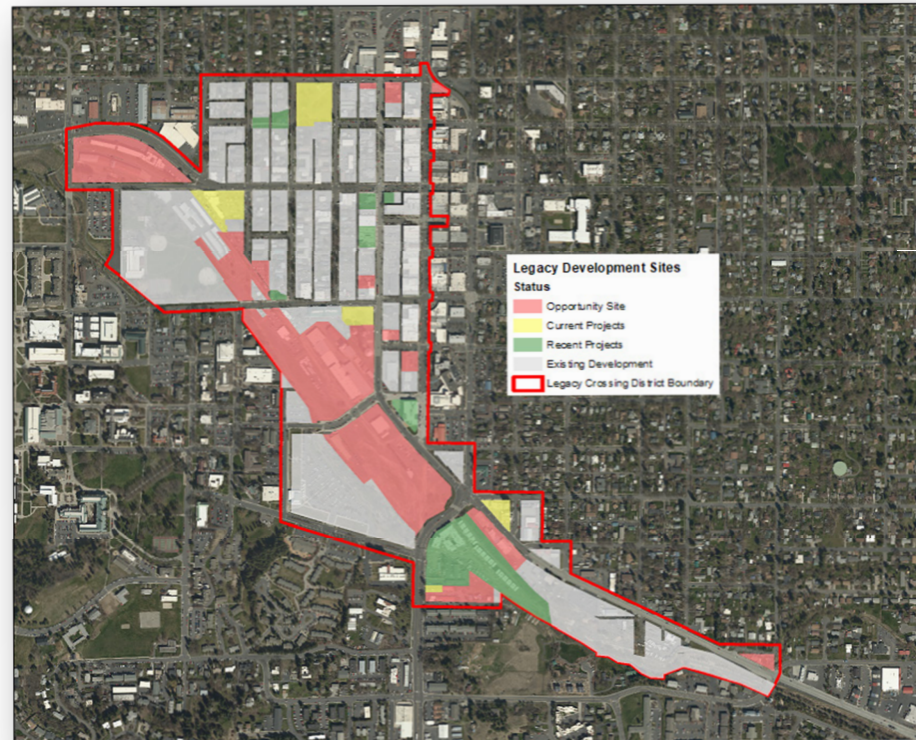
Tom Lamar, County Commissioner

Alison Tompkins, Member-at-Large

THE DISTRICTS OF THE AGENCY

The Agency historically operated two urban renewal districts: the Alturas Technology Park and Legacy Crossing. The smaller Alturas Technology Park District was closed in 2015 and was located in the southeastern area of the City along State Highway 8, while the larger Legacy Crossing District is located just west of downtown near the University of Idaho Campus.

Applying a variety of redevelopment strategies to improve economic conditions and enhance the quality of life across the city, the Agency's catalog of projects demonstrates that there is no one-size-fits-all solution for community redevelopment. When taken as a whole, this diversity of efforts translates into a cohesive framework, serving critical community, business, and economic development needs.



ALTURAS TECHNOLOGY PARK URBAN RENEWAL DISTRICT

Alturas Technology Park was the Agency's first District and is currently home to many of Moscow's premier high-tech companies, including Comtech EF Data Corporation, Alturas Analytics, Inc., Anatek Labs, Inc., and BioTracking, LLC. In 1996, the assessed value of property within the revenue allocation area was approximately \$6.4 million. Improvements and developments made as a result of the Alturas Research and Technology Park Urban Renewal Plan assisted in increasing property values dramatically. When the district closed in July of 2015, the area was valued at more than \$27 million.



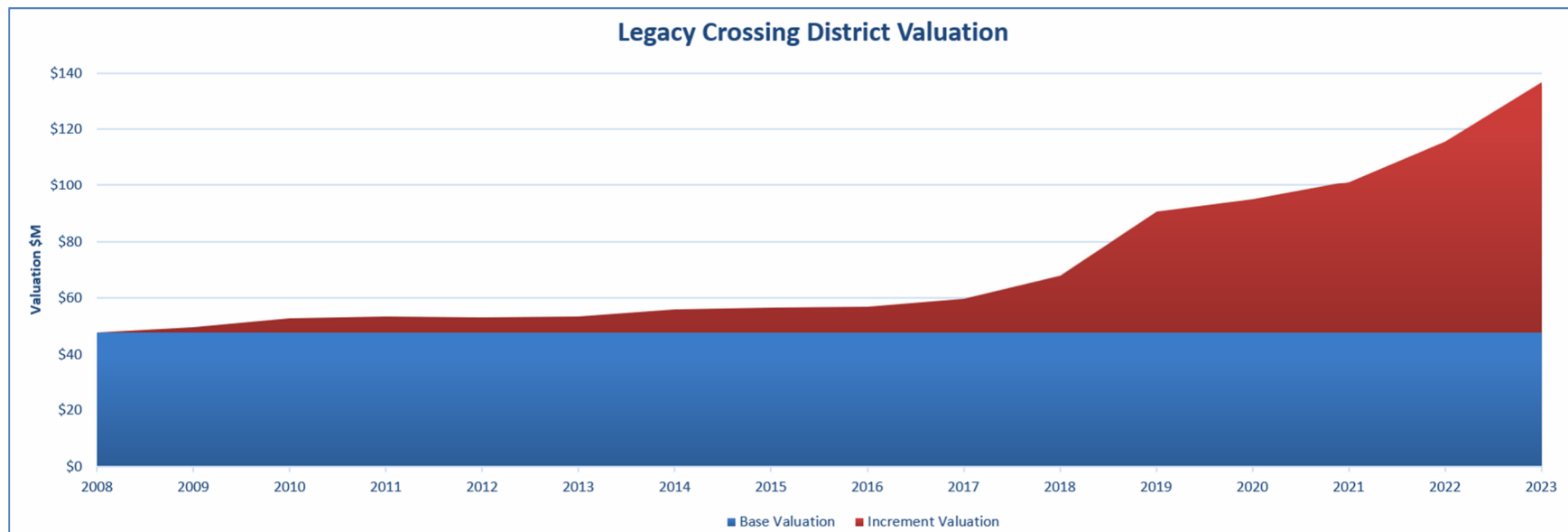
LEGACY CROSSING URBAN RENEWAL DISTRICT

The Legacy Crossing District was created in June of 2008 and is the Agency's second urban renewal district. When formed in 2008, the District originally covered 163 acres and included a majority of the blighted and underutilized properties located between Moscow's historic downtown and the University of Idaho. The District was amended in 2018 to include an additional 6 acres that encompass a portion of Main Street, bringing the total acreage to 169 acres.

In 2019, development continued in the District with the Barley Flats Condominium project on A Street and several smaller projects. Increment valuation nearly doubled between 2018 and 2019 as the prior \$40 million of construction projects that were started in 2017 and 2018 reached completion and entered the tax rolls. While new development in the district has been slower in recent years, improvements to existing buildings has resulted in a continued increase in property values. The district saw an increase of approximately \$21 million in 2023.

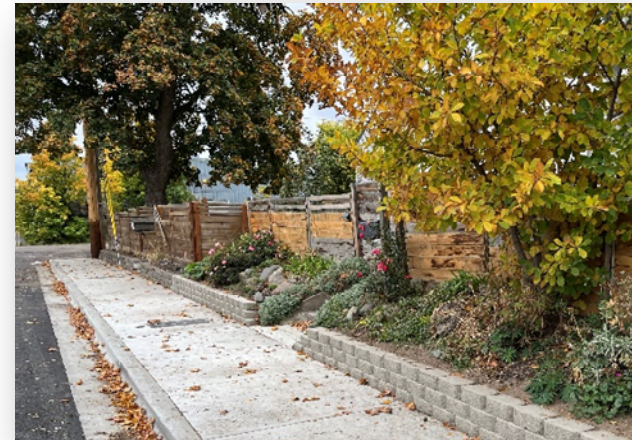
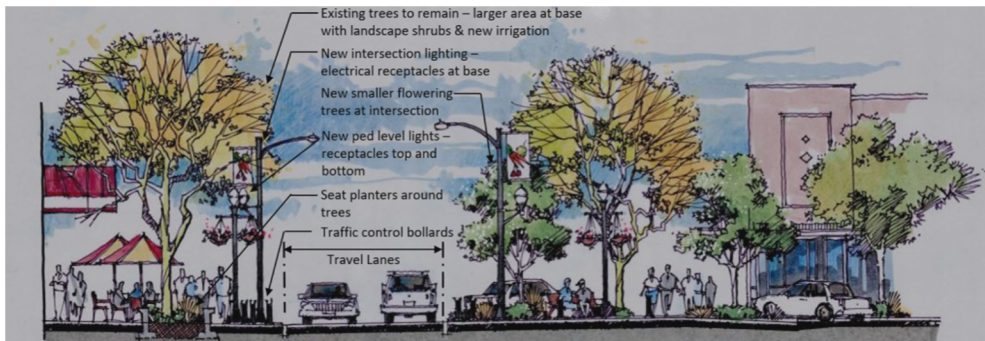
Legacy Crossing Fast Facts

- Established: 2008
- 169 Acres
- Base Value: \$47.76 Million
- 2023 Value: \$136.8 Million
- Closure Date: 2032



The Agency contributed to a number of projects that were completed in 2023. Most notable and visible, was the Lilly Street Reconstruction Project. It included the reconstruction of Lilly Street from State Highway 8 to 'A' Street, and First Street between Lilly and Lieuallen. The work included the complete replacement of Lilly Street along with most of the underground utilities. Similar to a previous project to the east, Hog Creek was daylighted and landscaped with riparian plantings. New sidewalks were installed on each street, along with ADA compliant pedestrian ramps.

Other notable projects the Agency contributed to included paving of the alley north of Sixth Street, between Almon and Asbury, as well as the downtown streetscape study. The study, completed in the summer of 2023, culminated with a conceptual design and cost estimate for downtown. This project has been paused as the City of Moscow identifies funding and a strategy for phasing what will be a multi-year effort.



The Agency continued to pursue redevelopment of the property located at the southwestern corner of Sixth and Jackson Streets in 2023. This property was purchased by the Agency in 2010, with a vision for a better connection between downtown and the University of Idaho campus. The Agency and the City of Moscow understood that the property was the keystone to connectivity between the University and downtown, and to the development of Hello Walk.

The Agency applied for and was successful in obtaining an EPA cleanup grant in the amount of \$115,317. The EPA cleanup grant was utilized to conduct the actual remediation and monitoring of the property, which will allow for its reuse. The active cleanup construction was completed in the fall of 2016. The Agency received its 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.

The Agency has gone through two unsuccessful Request for Proposals (RFP) processes for this property. In 2017, Sangria Downtown, LLC was selected for development of the property and entered into a Disposition and Development Agreement (DDA) with the Agency. In May of 2018, Sangria terminated that DDA due to increased construction costs that rendered their project infeasible. In 2019, the Agency entered into an Exclusive Negotiation Agreement (ENA) with Moscow Flatiron, LLC. Negotiations were terminated late in 2022 after a subsequent failure to execute on terms of the agreement. The Agency is currently in negotiations with the same group of developers that were unsuccessful in 2017. Their ENA is valid until April of 2024.



INVENTORY OF MURA OWNED PROPERTIES

District	Property Address	Parcel Number	SF /Acres	Planned Reuse	Sale and Development Status
Legacy	Lot located at the southwestern corner of the intersection of 6 th and Jackson streets	RPM00000180025	0.87 Acres	Public pathway, public plaza, and future fee simple sale.	Currently in an exclusive negotiation period with a developer for construction of a mixed-use project.

As noted above, the Agency owns one (1) lot within the Legacy Crossing District. The exclusive negotiation agreement with the prospective developer expires in April of 2024.

Public Comments

I'd like to mention three aspects of partnership: 1) Leveraging resources for a better outcome; 2) Mutually enhancing those entities' purpose; 3) And the good vibes of coming together to achieve a vision. Your Annual Report indicates what the MURA does, and along with that, it expresses pragmatically and aesthetically its role as a partner to city projects, this town's development designs, and the character of our community.

The Annual Report is evidence of MURA's function and a celebration of creating the living history of a place we call home. More than bricks, mortar, concrete, and cleaning up brownfields, which it is, the Annual Report tells of the fluidity and insight born of its challenging successes.

I can speak directly to the value of an item in the Report in that I live on Lilly Street where the MURA participated in re-aligning and daylighting Hogg Creek, bridging a gap of pedestrian walkway at Otness Park (also a MURA-city project) toward Ghormley Park, and extensive infrastructure on Lilly and an adjacent segment of First Street.

I've also witnessed the completion of the Alturas District; work in the Legacy Crossing District, including an ongoing participation in upgrading the city center's infrastructure and incorporating cultural activities; and Legacy's keystone property at Sixth and Jackson Street, a mere block from Main and our second most important intersection.

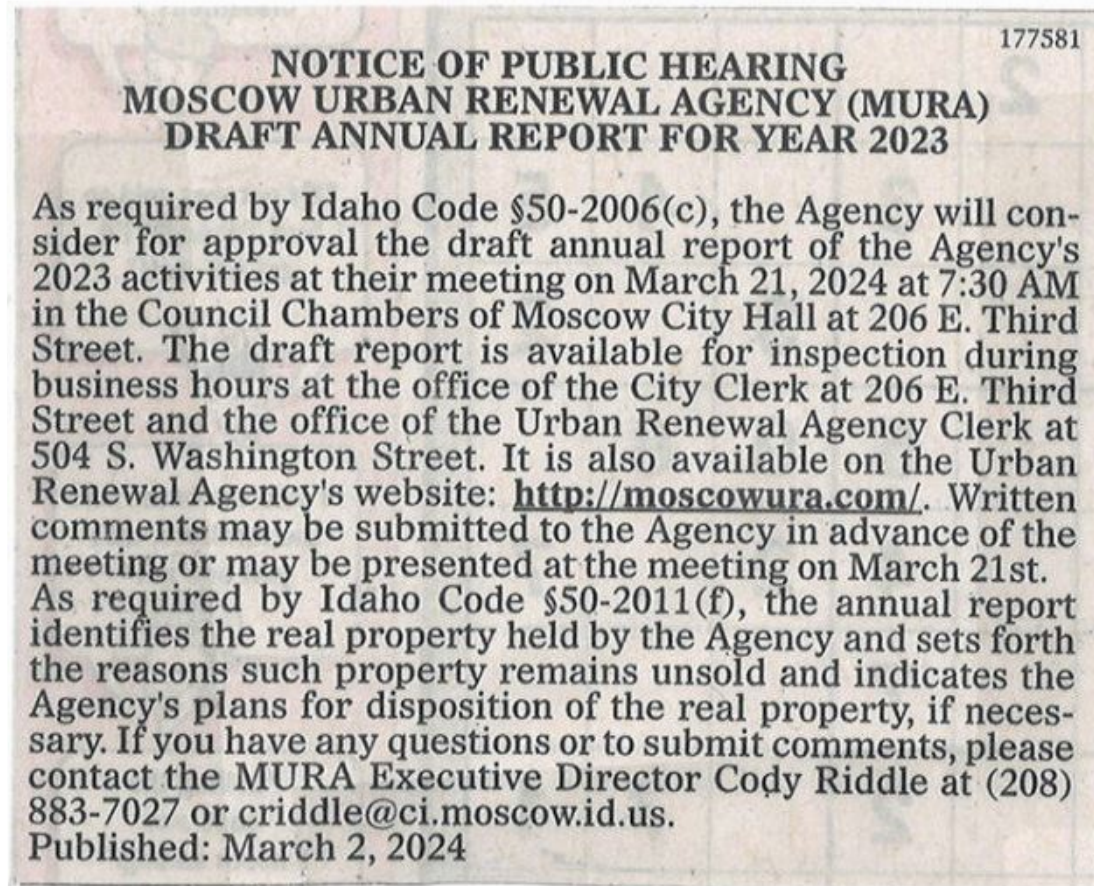
The latter is a MURA-reclaimed brownfield and is a difficult but inspirational keystone parcel no developer could have untaken without MURA's participation. It now represents a model for downtown mixed-development and future development in the adjacent area.

The Report illustrates MURA's contribution to growing the tax roll through development, its alertness to safety features, and furthering the job of meeting city needs. And it does it with vision and attention to detail. It is a significant contributor our city's vitality and systems services. MURA admirably meets the definition of an excellent partner.

121 N Lilly, Moscow

Victoria Seever

Legal Notice



FINANCIAL STATEMENTS

STATEMENT OF NET POSITION September 30, 2023

	Governmental Activities
ASSETS	
Cash and investments	\$ 2,712,930
Receivables	19,280
Other assets	5,260
Land	679,420
Total assets	<u>3,416,890</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>
LIABILITIES	
Accounts payable	2,794
Deposit payable	5,000
Series 2010 Bond - due within one year	37,000
Latah County payback agreement - due within one year	5,000
Loan payable Legacy - long-term	121,000
Latah County payback agreement - due after one year	74,537
Total liabilities	<u>245,331</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>
NET POSITION	
Net investment in capital assets	521,420
Restricted	
Debt service	44,312
Unrestricted	<u>2,605,827</u>
Total net position	<u>\$ 3,171,559</u>

STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

		Program Revenues	Net Revenue (Expense) and Changes in Net Position
	Expenses	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES			
Project administration	559,368		\$ (559,368)
Interest expense	3,167		(3,167)
Total governmental activities	\$ 562,535	\$ 0	(562,535)
GENERAL REVENUES			
Property taxes levied for general purposes			841,139
Investment income			114,194
Total general revenues			955,333
Change in net position			392,798
NET POSITION, beginning of year			2,778,761
NET POSITION, end of year			\$ 3,171,559

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2023

	General	Legacy Crossing District	Total
ASSETS			
Cash and investments	\$ 212,779	\$ 2,500,151	\$ 2,712,930
Receivables	11,519	7,761	19,280
Other assets		5,260	5,260
Total assets	<u>224,298</u>	<u>2,513,172</u>	<u>2,737,470</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
Total assets and deferred outflows of resources	<u>\$ 224,298</u>	<u>\$ 2,513,172</u>	<u>\$ 2,737,470</u>
LIABILITIES			
Accounts payable	\$ 2,794		\$ 2,794
Deposit payable	5,000		5,000
Total liabilities	<u>7,794</u>	<u>\$ 0</u>	<u>7,794</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE			
Restricted for debt service		44,312	44,312
Assigned		2,468,860	2,468,860
Unassigned	216,504		216,504
Total fund balance	<u>216,504</u>	<u>2,513,172</u>	<u>2,729,676</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 224,298</u>	<u>\$ 2,513,172</u>	<u>\$ 2,737,470</u>
RECONCILIATION OF THE STATEMENT OF NET POSITION TO THE BALANCE SHEET - GOVERNMENTAL FUNDS			
Total fund balance - Governmental Funds			\$ 2,729,676
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>(237,537)</u>
Total net position - Governmental Activities			<u>\$ 3,171,559</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2023

	General	Legacy Crossing District	Total
REVENUES			
Property taxes		\$ 841,139	\$ 841,139
Investment income	\$ 114,194		114,194
Total revenues	<u>114,194</u>	<u>841,139</u>	<u>955,333</u>
EXPENDITURES			
Current			
Legal and professional fees	7,370	9,211	16,581
Insurance	1,889		1,889
Advertising	249	689	938
Management services	55,345		55,345
Land incentive agreement		46,622	46,622
Development participation		433,093	433,093
Other administration expenses	77	4,823	4,900
Debt Service			
Principal retirement		40,000	40,000
Interest		3,167	3,167
Total expenditures	<u>64,930</u>	<u>537,605</u>	<u>602,535</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>49,264</u>	<u>303,534</u>	<u>352,798</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers	64,928	(64,928)	0
Total other financing sources (uses)	<u>64,928</u>	<u>(64,928)</u>	<u>0</u>
Net change in fund balances	114,192	238,606	352,798
FUND BALANCES AT BEGINNING OF YEAR	<u>102,312</u>	<u>2,274,566</u>	<u>2,376,878</u>
FUND BALANCES AT END OF YEAR	<u>\$ 216,504</u>	<u>\$ 2,513,172</u>	<u>\$ 2,729,676</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2023

Net change in fund balances - Governmental Funds	\$ 352,798
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Amounts reported for governmental activities in the statement of activities are different because:

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

40,000

Change in net position - Governmental Activities	\$ 392,798
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392,798

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
GENERAL FUND
Year Ended September 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income	\$ 4,500	\$ 114,194	\$ 109,694
Gain (loss) on disposal of assets	89,302		(89,302)
Total revenues	<u>93,802</u>	<u>114,194</u>	<u>20,392</u>
EXPENDITURES			
Current			
Legal and professional fees	10,856	7,370	3,486
Insurance	1,833	1,889	(56)
Maintenance	1,500		1,500
Advertising	500	249	251
Management services	55,345	55,345	
Sale of land expense	5,000		5,000
Other administration expenses	91,302	77	91,225
Total expenditures	<u>166,336</u>	<u>64,930</u>	<u>101,406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(72,534)</u>	<u>49,264</u>	<u>121,798</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers	70,984	64,928	(6,056)
Total other financing sources (uses)	<u>70,984</u>	<u>64,928</u>	<u>(6,056)</u>
Net change in fund balances	<u>\$ (1,550)</u>	114,192	115,742
FUND BALANCES BEGINNING OF YEAR		<u>102,312</u>	<u>102,312</u>
FUND BALANCES END OF YEAR		<u>\$ 216,504</u>	<u>\$ 218,054</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
LEGACY CROSSING DISTRICT FUND
Year Ended September 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 865,000	\$ 841,139	\$ (23,861)
Total revenues	<u>865,000</u>	<u>841,139</u>	<u>(23,861)</u>
EXPENDITURES			
Current			
Legal and professional fees	8,545	9,211	(666)
Advertising	1,000	689	311
Land incentive agreement	62,926	46,622	16,304
Development participation	1,025,500	433,093	592,407
Other administration expenses	5,000	4,823	177
Debt service			
Principal retirement	40,000	40,000	
Interest	8,472	3,167	5,305
Contingency	15,000		15,000
Total expenditures	<u>1,166,443</u>	<u>537,605</u>	<u>628,838</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(301,443)</u>	<u>303,534</u>	<u>604,977</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers	<u>(70,984)</u>	<u>(64,928)</u>	<u>6,056</u>
Total other financing sources (uses)	<u>(70,984)</u>	<u>(64,928)</u>	<u>6,056</u>
Net change in fund balances	<u>\$ (372,427)</u>	238,606	611,033
FUND BALANCES BEGINNING OF YEAR		<u>2,274,566</u>	<u>2,274,566</u>
FUND BALANCES END OF YEAR		<u>\$ 2,513,172</u>	<u>\$ 2,885,599</u>