



Agenda: Thursday, June 16, 2016, 7:00 a.m.

City of Moscow Council Chambers • 206 E 3<sup>rd</sup> 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 May 19, 2016
  - B. May 2016 Payables
  - C. May 2016 Financials

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

2. **Public Comment for items *not on agenda*:** Three minute limit
3. **Announcements**
4. **Appointments – Chair McGeehan**
5. **Sangria Downtown LLC Project Update – Carly Lilly**  
Representatives of Sangria Downtown LLC will provide an update on the status of their development plans for the 6<sup>th</sup> and Jackson property project.

**ACTION:** Accept report and provide direction as deemed appropriate.

6. **Sangria Downtown LLC Exclusive Negotiation Agreement Schedule of Performance Review**  
On February 26, 2015, the Board selected Sangria Downtown LLC as the successful respondent to a request for proposals for development of the MURA's 6<sup>th</sup> and Jackson property. On January 21<sup>st</sup> of this year, the Board approved an amendment to the schedule of performance which established dates by which certain actions would need to be completed. While Sangria Downtown LLC has made significant progress over the last several months, delays in finalizing the project scope and obtaining project bids in conjunction with delays in the environmental remediation process has resulted in the project falling behind the previously amended schedule of performance. Staff has prepared a revised proposed project schedule of performance for the Board's review and consideration.

**ACTION:** Approve the proposed revised schedule of performance; or take other action as deemed appropriate.

**7. 6<sup>th</sup> and Jackson Environmental Remediation Project Update – Bill Belknap**

Staff will provide any update on the status of the environmental remediation work on the 6<sup>th</sup> and Jackson property.

**ACTION:** Accept report and provide direction as deemed appropriate.

**8. FY2016 Financial Statement Audit Services Letter of Engagement – Bill Belknap**

For the last several years the Agency has engaged Presnell Gage, PLLC for to perform an audit of the MURA's financial statements. Presnell Gage is offering to provide the same services for the Agency's fiscal year ending September 30, 2016. The proposed fee is \$4,700, which is a modest 2% fee increase over past fees paid for these services. Staff has been pleased with the services provided by Presnell Gage and recommends that the Board to continue with their firm for the upcoming audit.

**ACTION:** Approve the proposed letter of engagement for the audit of the MURA financial statements for the fiscal year ending September 30, 2016; or take other action as deemed appropriate.

**9. Proposed Cancellation of July 7<sup>th</sup> Meeting– Bill Belknap**

The next upcoming regularly scheduled meeting will fall upon July 7<sup>th</sup> during the week of the July 4<sup>th</sup> Holiday. Due to potential commissioner and staff absences, Staff is recommending that the MURA cancel the July 7<sup>th</sup> meeting, with the next regularly scheduled meeting to occur on July 21, 2016.

**ACTION:** Cancel the July 7<sup>th</sup> meeting; or provide other direction as deemed appropriate.

**10. General Agency Updates – Bill Belknap**

- Legacy Crossing District
- Alturas District
- General Agency Business

**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.



**City of Moscow Council Chambers • 206 E 3<sup>rd</sup> Street • Moscow, ID 83843**

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

Commissioners Present	Commissioners Absent	Also in Attendance
Steve McGeehan, Chair	Ron Smith	Bill Belknap, MURA Executive Director
Art Bettge	John Weber	Gary Riedner, Interim Treasurer
Steve Drown		Anne Peterson, MURA Clerk
Dave McGraw		
Brandy Sullivan		

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 21, 2016*
  - B. *April 2016 Payables*
  - C. *April 2016 Financials*

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

Bettge moved approval, seconded by McGraw. Motion passed unanimously.

2. **Public Comment for items *not on agenda*:** Three minute limit  
No comments.

3. **Announcements**

Riedner announced presentations have been made to all partners in Partnership in Economic Prosperity. Search for Executive Director will begin shortly, with a hire anticipated by the end of July. Riedner will make a more thorough presentation at the next meeting.

4. **Palouse Commercial Alturas Marketing Report – Justin Rasmussen**

*Justin Rasmussen of Palouse Commercial will provide a report on their current marketing program and efforts pertaining to the Agency’s Alturas Technology Park lots.*

**ACTION:** *Accept report and provide direction as deemed appropriate.*

Rasmussen reviewed traditional marketing assets including the commercial MLS, targeted email, LoopNet, development of property-specific marketing materials, custom signage on the property, and he has taken Alturas information to quarterly realtor meetings in Spokane. His assessment is there is low demand for this niche product. He believes the Alturas “tech park” concept has seen its day; throughout the country tech companies are leaving tech parks to be closer to community centers. The lower price point for Alturas lots has not been enticing enough. Rasmussen suggested changing the product type by adjusting the CCSR’s might help, citing sustained interest from direct medical care and professional office

uses which are currently prohibited. Bettge suggested marketing to university researchers because he suspected many weren't even aware of the tech park. Rasmussen already fosters those relationships, and thought most of those ventures need a start-up location before realizing the necessary capital for an Alturas investment. *Moscow Works* is filling that type of start-up need downtown. Sullivan asked if a private developer could create an incubator space in Alturas. Rasmussen and Belknap both explained that to cover development costs the rents would be higher than most start-ups could afford. Robin Woods, owner of Alturas Analytics and Anatech Labs, thought CCSRs were only part of the problem. She agreed there's typically a lag between start-up and being able to afford space in the park, but said Pullman's doing something right because their tech park is full. Given that the Alturas land is paid for and generates tax revenue, she didn't see an urgency in selling the remaining parcels. Belknap said it's unusual for an Agency to continue to hold property following the closure of a district, although the Agency has five years of financial reserves cover anticipated maintenance and marketing needs. He said the bigger concern was that nothing sold in eight years and developers view the current CCSRs as jeopardizing resale value. He said the covenants in Phase II prohibit general office use even though the underlying zoning code allows it, but without unanimous agreement of the Phase II owners those CCSRs will be in effect until 2019. Bettge said the total stagnation at Alturas despite the recovering economy shows there's something wrong with the model and suggested looking into Pullman's CCSRs. Rasmussen replied their state and city goals are different and the relationship between the Port and WSU is very direct. Riedner said the state of Washington funds many economic development incentives that the state of Idaho does not without formation of a URA. Rasmussen concluded by reiterating his professional opinion that marketing the property would be more successful with an expanded market.

#### **5. Report on 6<sup>th</sup> and Jackson Property – Bill Belknap**

*Staff will provide an update on the status of the 6<sup>th</sup> and Jackson property remediation and redevelopment process.*

**ACTION:** *Accept report and provide direction as deemed appropriate.*

Belknap reported on the capture modeling for groundwater remediation. The data presented to DEQ show contaminants are being captured within the property boundaries, but DEQ has requested a pump test to validate the modeling results. TerraGraphics has stated a cost of \$6,768.11 to conduct the pump test which would leave \$48,128.87 in the clean-up grant. Bettge asked about ongoing expense of the extraction wells and Belknap said they will run quarterly until compliance has been met, at a cost of around \$5,000 per year. Bettge moved approval of the additional testing, seconded by Sullivan. McGraw expressed his frustration that this entire process is taking so long, adding that a private developer would be bankrupt by now. Motion passed.

Sangria Downtown LLC has received two bids with contractor selection anticipated by early June, followed by financing review by the lender which will take approximately six weeks. Gem Valley Appraisal has evaluated the project and is awaiting the decision about the potential additional floor prior to presentation of a final fair use appraisal amount.

#### **6. Request for Financial Assistance for Styner/White Avenue State Highway 8 Underpass Project – Bill Belknap**

*The City of Moscow has been exploring the construction of a pedestrian/bicycle underpass under Highway 8 at the Styner/White/Highway intersection. Consideration of this project began in 2011 with a preliminary study completed by a University of Idaho Engineering class which was followed by a*

*feasibility assessment, preliminary concept design and cost estimate, and wetland delineation performed by TerraGraphics Environmental Engineers. The project proposes to use the existing Paradise Creek bridge structure to construct a bicycle and pedestrian path connecting the Paradise Path on the south side of State Highway 8 to the Latah County Fairgrounds to enhance access and improve safety to surrounding paths in the area. The City is pursuing grant funding for the project from the Transportation Alternatives Program (TAP) which is designed to provide funding for a variety of alternative transportation projects and to advance the Idaho Transportation Department's (ITD) strategic goals of mobility, safety and economic opportunity. Funding of up to \$500,000 is available for infrastructure projects. The project is estimated at \$539,000. The grant-required cash match is 7.34% which would be \$39,590. It is anticipated that project design would occur in 2017 with construction to be completed in 2018 with match obligations occurring in FY2018. The underpass is located within the Legacy Crossing District boundary, and the City has requested the Agency's assistance in the project match in the amount of \$10,000. The Legacy Crossing Urban Renewal Plan includes several references to anticipated pedestrian pathway construction and improvements and increased pedestrian connectivity within the District and to areas outside the District, therefore the Agency's participation would appear to be appropriate and supported by the Plan.*

**ACTION:** *Consider the request for project financial assistance and provide direction as deemed appropriate.*

McGeehan asked about the pathway from the bridge to the Fairgrounds. Belknap clarified the path would be outside the District but is included in the overall cost of the project. The Agency's contribution would be specifically to the underpass. Bettge said it was a natural link between two portions of the transportation plan and would provide good separation between vehicles and non-motorized transportation. McGraw moved approval of the \$10,000 project contribution, seconded by Drown. Belknap clarified this would come from the FY18 budget. Motion passed.

#### **7. Downtown Restroom Project Update Report – Bill Belknap**

*The City of Moscow has been working toward development of a downtown public restroom to support the variety of activities that occur in the area from parades to Farmers Market and other events. The bathroom is proposed to be located in the northeast corner of the South Jackson Street parking lot and would be wood frame construction with a weathered brick veneer. The City budgeted \$170,000 for the project based upon the architect's cost estimates. The City opened bids on the project on March 15<sup>th</sup> and the lowest bid received was \$191,600. The City Council rejected the bids due to the high bid amounts. Staff will provide an update on the status of the project for the Board's consideration.*

**ACTION:** *Receive report and provide direction as deemed appropriate.*

Belknap asked if the Agency had a continuing interest in supporting the project financially. McGeehan's opinion was a downtown restroom was critical and desired to see the project through. He asked about the initial estimate and Belknap said Design West provided it last year but labor shortages this year, and possibly the timing of the bid opening, affected the actual bids. Riedner said it remains a Council priority because it would affect economic development by supporting the Farmer's Market and other events that bring people to Moscow. Cost-saving ideas include possible design/finish modifications or a concrete precast structure. Bettge said long-term maintenance and durability were critical considerations, as well as the historic preservation concerns of it fitting into our historic downtown. Sullivan favored participating in the project but expressed concern about offering more now than before, since the goal was to reduce the overall cost. Drown thought the URA should be as generous as possible to show the

importance and strength the Agency has in economic development, and he thought the Agency should endorse the efforts made by the Historic Preservation Commission and others to provide an aesthetically and historically appropriate design by attaching the financial participation to the design as proposed, rather than a prefab building. McGeehan agreed. Bettge said endorsement of the project would send a strong message to the City Council, and he moved authorization to offer \$20,000 with the stipulation that the structure be built to the initial specifications. The offer will be made via letter from McGeehan to the City Council. Drown seconded the motion which carried unanimously.

#### 8. Review of Draft Agency Website Update Request for Qualifications – Bill Belknap

*As discussed at the Agency's February 18<sup>th</sup> meeting, Staff has prepared a draft Request for Qualifications (RFQ) for the redesign of the Agency's website. Staff is seeking Board approval to distribute the RFQ to begin the selection process.*

**ACTION:** *Approve the Website Development Services RFQ; or provide direction as deemed appropriate.*

Bettge moved approval for staff to move forward with an RFQ. Sullivan seconded the motion which passed unanimously.

#### 9. General Agency Updates – Bill Belknap

- Legacy Crossing District
  - Stubbs Seed Warehouse project is on hold for another month or so. Letter of Intent has been signed with a tenant. Highway frontage lane addition may happen as early as 2018.
  - Former Domino's site project is moving forward on land use entitlement process with a hearing before Planning & Zoning on June 22, and the developer has decided to enter the VCP program with DEQ for ground remediation.
  - Dumas site is being actively marketed.
- Alturas District
  - Staff is working with a potential wheat researcher for an 8,000 sf office building and 2,500sf research greenhouse. Belknap will be introducing the company to the Alturas owners next week. He requested Board approval for a short-term lease with the company for a half-acre test plot to do field operations for this season. Bettge thought it was an imaginative method of generating interest in Alturas. The Board agreed.
- Strategic Plan
  - Partner agency questionnaire is ready to test-run prior to full distribution.

McGeehan declared the meeting adjourned at 8:40am.

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Steve McGeehan, Agency Chair

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Date



**Balance Sheet**  
**May 31, 2016**

	<u>Total Funds</u>
<b>ASSETS</b>	
Cash	6,413
Investments-LGIP	538,812
Investments-Zions Debt Reserve	44,312
Taxes Receivable	(1,624)
Accounts Receivable	4,513
Land Held For Resale	531,256
Land	509,402
Infrastructure Assets	1,186,207
Accumulated Depreciation	<u>(753,478)</u>
<b>Total Assets</b>	<u><u>2,065,813</u></u>
 <b>LIABILITIES</b>	
Accounts Payable	
Deposits Payable	5,000
Series 2010 Bond - due within one year	25,000
Latah County payback agreement - due within one year	2,000
Series 2010 Bond - due after one year	374,000
Latah County payback agreement - due after one year	<u>108,537</u>
<b>Total Liabilities</b>	<u>514,537</u>
 <b>FUND BALANCES</b>	
Net Assets Invest. Cap Assets	587,443
Restricted Fund Balance	44,312
Unrestricted Fund Balance	<u>1,729,670</u>
<b>Total Fund Balance</b>	<u>2,361,425</u>
 <b>Retained Earnings:</b>	 <u>810,149</u>
 <b>Total Fund Balance and Retained Earnings:</b>	 <u>1,551,276</u>
 <b>Total Liabilities, Fund Balance and Retained Earnings:</b>	 <u>\$2,065,813</u>

# Checks for Approval

User: jspellman  
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MAY 2016



Check	Check Date	Account Name	Vendor	Void	Amount
4393	05/09/2016	Heat, Lights & Utilities	City of Moscow		179.25
4393	05/09/2016	Administrative Services	City of Moscow		3,750.00
4394	05/09/2016	Professional Services-Auditing	Presnell Gage, PLLC		4,600.00
4395	05/09/2016	Professional Services-Other	Redevelopment Association of Idaho, Inc.		1,000.00
4396	05/09/2016	Misc. Expense-General	Rosauers		10.97
4397	05/09/2016	Improvements-Legacy	Terra Graphics		4,476.94
				Report Total:	<u>14,017.16</u>

\_\_\_\_\_  
 Steve McGeehan, Chairperson

Accounts payable expenditures as contained herein were made in compliance with the duly adopted budget for the current fiscal year and according to Idaho law.

\_\_\_\_\_  
 Bill Belknap, Executive Director

\_\_\_\_\_  
 Gary J Riedner, Treasurer



Checks by Date - Detail By Check Date

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May 2016

			Check Amount
4393	UCITYMOS	City of Moscow	5/9/2016
	April 2016	For 6th & Jackson Utilities April 2016	\$ 179.25
	May 2016	Administrative Services for May 2016	\$ 3,750.00
Total for Check Number 4393:			<u>\$ 3,929.25</u>
4394	UPRESNEL	Presnell Gage, PLLC	5/9/2016
	.370205	2015 URA Audit	\$ 4,600.00
Total for Check Number 4394:			<u>\$ 4,600.00</u>
4395	UREDEV	Redevelopment Association of Idaho, Inc.	5/9/2016
	M16101	RAI Legislative Contribution	\$ 1,000.00
Total for Check Number 4395:			<u>\$ 1,000.00</u>
4396	UROSAUER	Rosauers	5/9/2016
	02-224216	Meeting Materials for April 2016	\$ 10.97
Total for Check Number 4396:			<u>\$ 10.97</u>
4397	Uterragr	Terra Graphics	5/9/2016
	04458	6th & Jackson environmental remediation construction additional	\$ 4,476.94
Total for Check Number 4397:			<u>\$ 4,476.94</u>
Total for 5/9/2016:			\$ 14,017.16
<b>Total Bills for May 2016</b>			<u><u>14,017.16</u></u>

# General Ledger Exp to Bud

User: jspellman

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Period 08 - 08

Fiscal Year 2016

May 2016



Account Number	Description	Budget	Period Amount	End Bal	Variance	Avail/Uncollect	% Collected
890	Moscow Urban Renewal Agency						
880	URA - General Agency						
890-880-10-642-00	Administrative Services	\$ 45,000.00	\$ 3,750.00	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00	66.67%
890-880-10-642-10	Professional Services-Exec Dir	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-880-10-642-15	Professional Services-Other	\$ 6,000.00	\$ 1,000.00	\$ 2,750.00	\$ 3,250.00	\$ 3,250.00	45.83%
890-880-10-642-20	Professional Services-Auditing	\$ 5,000.00	\$ 4,600.00	\$ 4,600.00	\$ 400.00	\$ 400.00	92.00%
890-880-10-642-30	Professional Services-Computer	\$ 1,000.00	\$ -	\$ 19.95	\$ 980.05	\$ 980.05	2.00%
890-880-10-644-10	Marketing Expense-General	\$ 1,000.00	\$ -	\$ 300.00	\$ 700.00	\$ 700.00	30.00%
890-880-10-668-10	Liability Insurance-General	\$ 1,650.00	\$ -	\$ 1,507.00	\$ 143.00	\$ 143.00	91.33%
E02	Contractual	\$ 59,650.00	\$ 9,350.00	\$ 39,176.95	\$ 20,473.05	\$ 20,473.05	65.68%
890-880-10-631-10	Postage Expense	\$ 100.00	\$ -	\$ 24.00	\$ 76.00	\$ 76.00	24.00%
890-880-10-631-20	Printing and Binding	\$ 400.00	\$ -	\$ 39.80	\$ 360.20	\$ 360.20	9.95%
890-880-10-647-10	Travel & Meetings-General	\$ 1,000.00	\$ -	\$ 839.22	\$ 160.78	\$ 160.78	83.92%
890-880-10-649-10	Professional Development	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0.00%
890-880-10-669-10	Misc. Expense-General	\$ 500.00	\$ 10.97	\$ 266.48	\$ 233.52	\$ 233.52	53.30%
E03	Commodities	\$ 3,000.00	\$ 10.97	\$ 1,169.50	\$ 1,830.50	\$ 1,830.50	38.98%
880	URA - General Agency	\$ 62,650.00	\$ 9,360.97	\$ 40,346.45	\$ 22,303.55	\$ 22,303.55	64.40%
890	Urban Renewal Agency						
890-890-10-642-10	Professional Services-Alturas	\$ 10,000.00	\$ -	\$ (410.00)	\$ 10,410.00	\$ 10,410.00	-4.10%
890-890-10-642-12	Land Sale Expense-Alturas	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-890-10-644-10	Marketing Expense-Alturas	\$ 4,000.00	\$ -	\$ 107.92	\$ 3,892.08	\$ 3,892.08	2.70%
E02	Contractual	\$ 14,000.00	\$ -	\$ (302.08)	\$ 14,302.08	\$ 14,302.08	-2.16%
890-890-10-647-10	Travel & Meetings-Alturas	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-890-10-658-10	Repairs & Maintenance	\$ 5,000.00	\$ -	\$ 2,151.00	\$ 2,849.00	\$ 2,849.00	43.02%
890-890-10-669-10	Misc. Expense-Alturas	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
E03	Commodities	\$ 5,000.00	\$ -	\$ 2,151.00	\$ 2,849.00	\$ 2,849.00	43.02%

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Period 08 - 08  
Fiscal Year 2016

May 2016



Account Number	Description	Budget	Period Amount	End Bal	Variance	Avail/Uncollect	% Collected
890-890-10-770-73	Improvements-Alturas	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
E04	Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-890-10-800-00	Termination Plan	\$ 767,044.00	\$ -	\$ 849,956.00	\$ (82,912.00)	\$ (82,912.00)	110.81%
E20	Other Financing Uses	\$ 767,044.00	\$ -	\$ 849,956.00	\$ (82,912.00)	\$ (82,912.00)	110.81%
890-890-10-699-74	Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-890-10-699-99	Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
E81	Depreciation & Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-890-10-900-01	Contingency - Alturas	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00	0.00%
E90	Contingency	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00	0.00%
890	Urban Renewal Agency	\$ 826,044.00	\$ -	\$ 851,804.92	\$ (25,760.92)	\$ (25,760.92)	103.12%
895	URA - Legacy Crossing						
890-895-10-642-10	Professional Services-Legacy	\$ 10,000.00	\$ -	\$ 2,647.80	\$ 7,352.20	\$ 7,352.20	26.48%
890-895-10-642-12	Land Sale Expense-Legacy	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	0.00%
890-895-10-644-10	Marketing Expense-Legacy	\$ 2,000.00	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	0.00%
E02	Contractual	\$ 22,000.00	\$ -	\$ 2,647.80	\$ 19,352.20	\$ 19,352.20	12.04%
890-895-10-647-10	Travel & Meetings-Legacy	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0.00%
890-895-10-652-10	Heat, Lights & Utilities	\$ 2,000.00	\$ 179.25	\$ 1,254.75	\$ 745.25	\$ 745.25	62.74%
890-895-10-658-10	Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-895-10-669-10	Misc. Expense-Legacy	\$ 1,000.00	\$ -	\$ (0.45)	\$ 1,000.45	\$ 1,000.45	-0.05%
890-895-10-675-00	Fiscal Agent Trustee fees	\$ 1,750.00	\$ -	\$ -	\$ 1,750.00	\$ 1,750.00	0.00%
890-895-10-676-15	Latah County Reimb. Agreement	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -	\$ -	100.00%
890-895-10-676-17	Jackson St Owner Part. Agr.	\$ 9,000.00	\$ -	\$ 10,925.66	\$ (1,925.66)	\$ (1,925.66)	121.40%
890-895-10-676-20	Agreement Cost	\$ 600.00	\$ -	\$ 40.47	\$ 559.53	\$ 559.53	6.75%

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Period 08 - 08

Fiscal Year 2016

May 2016



Account Number	Description	Budget	Period Amount	End Bal	Variance	Avail/Uncollect	% Collected
E03	Commodities	\$ 17,350.00	\$ 179.25	\$ 14,220.43	\$ 3,129.57	\$ 3,129.57	81.96%
890-895-10-770-35	1% Public Art	\$ 1,210.00	\$ -	\$ -	\$ 1,210.00	\$ 1,210.00	0.00%
890-895-10-770-71	Land-Legacy	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-895-10-770-73	Improvements-Legacy	\$ 193,675.00	\$ 4,476.94	\$ 79,892.92	\$ 113,782.08	\$ 113,782.08	41.25%
890-895-10-770-97	Infrastructure Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
E04	Capital Outlay	\$ 194,885.00	\$ 4,476.94	\$ 79,892.92	\$ 114,992.08	\$ 114,992.08	40.99%
890-895-10-676-10	Bond Issuance Cost	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
E05	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-895-10-900-01	Contingency - Legacy	\$ 15,000.00	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	0.00%
E90	Contingency	\$ 15,000.00	\$ -	\$ -	\$ 15,000.00	\$ 15,000.00	0.00%
895	URA - Legacy Crossing	\$ 249,235.00	\$ 4,656.19	\$ 96,761.15	\$ 152,473.85	\$ 152,473.85	38.82%
899	Dept						
890-899-11-790-01	Bond Principal - Alturas	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-899-11-791-01	Bond Interest-Alturas	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-899-12-790-01	Bond Principal - Legacy	\$ 399,000.00	\$ -	\$ 7,869.15	\$ 391,130.85	\$ 391,130.85	1.97%
890-899-12-791-01	Bond Interest - Legacy	\$ 18,435.00	\$ -	\$ -	\$ 18,435.00	\$ 18,435.00	0.00%
E05	Debt Service	\$ 417,435.00	\$ -	\$ 7,869.15	\$ 409,565.85	\$ 409,565.85	1.89%
890-899-10-990-00	Ending Fund Bal Unassigned	\$ 49,705.00	\$ -	\$ -	\$ 49,705.00	\$ 49,705.00	0.00%
890-899-11-990-00	End Fund Bal Assigned-Alturas	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-899-11-990-01	End Fund Bal Res-Alturas	\$ 45,000.00	\$ -	\$ -	\$ 45,000.00	\$ 45,000.00	0.00%
890-899-12-990-00	End Fund Bal Assigned-Legacy	\$ 261,405.00	\$ -	\$ -	\$ 261,405.00	\$ 261,405.00	0.00%
890-899-12-990-01	End Fund Bal Res-Legacy	\$ 69,315.00	\$ -	\$ -	\$ 69,315.00	\$ 69,315.00	0.00%
E95	Ending Fund Balance	\$ 425,425.00	\$ -	\$ -	\$ 425,425.00	\$ 425,425.00	0.00%

# General Ledger Exp to Bud

User: jspellman

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Period 08 - 08

Fiscal Year 2016

May 2016



Account Number	Description	Budget	Period Amount	End Bal	Variance	Avail/Uncollect	% Collected
899	Dept	\$ 842,860.00	\$ -	\$ 7,869.15	\$ 834,990.85	\$ 834,990.85	0.93%
890	Moscow Urban Renewal Agency	\$ 1,980,789.00	\$ 14,017.16	\$ 996,781.67	\$ 984,007.33	\$ 984,007.33	50.32%

# General Ledger Revenue Analysis

User: jspellman  
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 Period 08 - 08  
 Fiscal Year 2016

May 2016



Account Number	Description	Budgeted Revenue	Period Revenue	YTD Revenue	Uncollected Bal	% Received
890-000-00-410-00	Property Taxes - Alturas	\$ -	\$ -	\$ -	\$ -	0.00%
890-000-00-410-01	Property Taxes - Legacy	\$ 141,000.00	\$ 1,081.56	\$ 109,622.93	\$ 31,377.07	77.75%
890-000-00-431-11	EPA Clean-up Grant - Legacy	\$ 108,235.00	\$ -	\$ 74,210.57	\$ 34,024.43	68.56%
890-000-00-471-00	Investment Earnings	\$ 1,000.00	\$ 228.22	\$ 2,799.31	\$ (1,799.31)	279.93%
890-000-00-478-11	Sale of Land - Legacy	\$ 450,000.00	\$ -	\$ -	\$ 450,000.00	0.00%
890-000-00-910-00	Beg Fund Bal Unassigned	\$ 48,705.00	\$ -	\$ -	\$ 48,705.00	0.00%
890-000-00-911-00	Beg Fund Bal Assigned-Alturas	\$ 902,369.00	\$ -	\$ -	\$ 902,369.00	0.00%
890-000-00-912-00	Beg Fund Bal Assigned-Legacy	\$ 260,165.00	\$ -	\$ -	\$ 260,165.00	0.00%
890-000-00-912-01	Beg Fund Bal Res-Legacy	\$ 69,315.00	\$ -	\$ -	\$ 69,315.00	0.00%
<b>890</b>	<b>Moscow Urban Renewal Agency</b>	<b>\$ 1,980,789.00</b>	<b>\$ 1,309.78</b>	<b>\$ 186,632.81</b>	<b>\$ 1,794,156.19</b>	<b>9.42%</b>
<b>Revenue Total</b>		<b>\$ 1,980,789.00</b>	<b>\$ 1,309.78</b>	<b>\$ 186,632.81</b>	<b>\$ 1,794,156.19</b>	<b>9.42%</b>

## EXHIBIT B

### SCHEDULE OF PERFORMANCE – AMENDED 6/16/2016

ACTION	DATE
1. <u>Deposit</u> . The Developer shall deliver the Deposit to the Agency.	No later than April 22, 2015.
2. <u>Submittal of Information to Agency</u> . Developer shall submit all the required information to Agency for use in considering Developer's proposed development.	No later than February 22, 2016.
3. <u>Agency Approval of Project Design</u> . Agency shall issue approval, or approval with conditions of design amendment, of Developer's project design.	No later than March 17, 2016
4. <u>Completion of Fair Use Appraisal</u> . Agency appraiser shall complete the fair use appraisal.	No later than July 1, 2016.
5. <u>Project Financing Commitment</u> . Developer shall submit a letter of project financing commitment from project lender as evidence of project funding to Agency.	No later than August 15, 2016
6. <u>Submittal of Draft Disposition and Development Agreement (DDA)</u> . The Agency staff and Developer shall have completed a draft DDA in a sufficiently final form to permit review by the Agency Board and to proceed through the required notice and hearing process.	No later than September 1, 2016.
7. <u>DDA Consideration</u> . The Agency Board shall consider and approve if appropriate the DDA.	No later than September 15, 2016.

4846-9577-7570, v. 2



June 8, 2016

Board of Commissioners  
Moscow Urban Renewal Agency  
Moscow, Idaho

We are pleased to confirm our understanding of the services we are to provide the Moscow Urban Renewal Agency for the year ended September 30, 2016. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Moscow Urban Renewal Agency as of and for the year ended September 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as the management's discussion and analysis (MD&A), to supplement the Moscow Urban Renewal Agency's 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. As part of our engagement, we will apply certain limited procedures to the Moscow Urban Renewal Agency's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedules for Major Funds

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Moscow Urban Renewal Agency and other procedures we consider necessary to enable us to express such opinions.



We will issue a written report upon completion of our audit of Moscow Urban Renewal Agency's financial statements. Our report will be addressed to management and the governing board of Moscow Urban Renewal Agency. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If, during our audit, we become aware that the Moscow Urban Renewal Agency is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the Agency. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the Agency and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Moscow Urban Renewal Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

We will also assist in preparing the financial statements and related notes of Moscow Urban Renewal Agency in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Agency from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Agency involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Agency complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Presnell Gage, PLLC, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an Oversight Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Presnell Gage, PLLC, personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oversight Agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

Mitchell Marx is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Moscow Urban Renewal Agency  
June 8, 2016  
Page 6

Our fee for these services will be \$4,700. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Moscow Urban Renewal Agency and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us

  
PRESNELL GAGE, PLLC

RESPONSE:

This letter correctly sets forth the understanding of the Moscow Urban Renewal Agency.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date