



Meeting Agenda: Thursday, March 7, 2024, 7:30 a.m.

City of Moscow Council Chambers • 206 E 3rd Street • Moscow, ID 83843
(A) = Board Action Item

1. **Consent Agenda (A)** - Any item will be removed from the consent agenda at the request of a member of the Board and that item will be considered separately later.
 - A. Minutes from January 18, 2024
 - B. January 2024 Payables
 - C. January 2024 Financials**ACTION:** Approve the consent agenda, or take such other action deemed appropriate.
2. **Public Comment**

Members of the public may speak to the Board regarding matters NOT on the Agenda nor currently pending before the Moscow Urban Renewal Agency. Please state your name and resident city for the record and limit your remarks to three minutes.
3. **Introduction and Welcome of the New Board Member**

Drew Davis was appointed to serve for a two-year term on the Urban Renewal Agency Board as a City Council representative on December 18, 2023. His term will expire on December 31, 2025.
4. **FY2025 MURA Budget Hearing Date Determination (A) – Cody Riddle**

In accordance with state law, the Agency must notify the County Clerk's office the date of the Agency's public hearing of its annual budget by no later than April 30th each year. To allow adequate time for the budget development and review process, Staff is proposing the Agency set the hearing date for its FY2025 budget on Thursday, August 1, 2024, and seeks the Board's approval to notify the County Clerk accordingly.

ACTION: Set the FY2025 Budget Hearing for August 1, 2024, or take such other action deemed appropriate.
5. **Termination of the ENA for Development of the Sixth and Jackson Street Property (A) - Cody Riddle**

On September 14, 2023 the Agency entered into an Exclusive Negotiation Agreement (ENA) with Moscow Hotel, LLC, represented by Carly Lilly and George Skandalos, for development of the property located on the southwest corner of Sixth and Jackson Streets. The agreement includes a Schedule of Performance with a series of deadlines for submittal of plans demonstrating continued progress towards developing the property. Each of the agreed upon deadlines have passed without submittal of any new information and all design efforts have stalled. Given the lack of measurable progress required in the ENA, staff is recommending termination of the ENA. This will allow the agency to pursue alternative development proposals for the property.

ACTION: Terminate the ENA with Moscow Hotel, LLC, or take such other action deemed appropriate.
6. **General Agency Updates – Cody Riddle**
 - Draft 2023 Annual Report

NOTICE: It is the policy of the City of Moscow that all City-sponsored public meetings and events are accessible to all people. If you need assistance in participating in this meeting or event due to a disability under the ADA, please contact the City's ADA Coordinator by phone at (208) 883-7600, TDD (208) 883-7019, or by email at adacoordinator@ci.moscow.id.us at least 48 hours prior to the scheduled meeting or event to request an accommodation. The City of Moscow is committed to ensuring that all reasonable accommodation requests are fulfilled.



Meeting Minutes: January 18, 2024, 7:30 a.m.

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

Commissioners Present	Commissioners Absent	Staff in Attendance
Nancy Tribble, Secretary	Mark Beauchamp	Cody Riddle, Executive Director
Sandra Kelly	Drew Davis	Jennifer Fleischman, Clerk
Tom Lamar	Steve McGeehan	Renee Tack, Treasurer
Alison Tompkins		

Tribble called the meeting to order at 7:36 a.m.

1. Consent Agenda (A)

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 December 21, 2023

B. December 2023 Payables

C. December 2023 Financials

Lamar moved for approval of the consent agenda as written, seconded by Kelly. Vote by Acclamation: Ayes: Unanimous (4). Nays: None. Abstentions: None. Motion carried.

2. Public Comment

Members of the public may speak to the Board regarding matters NOT on the Agenda nor currently pending before the Moscow Urban Renewal Agency. Please state your name and resident city for the record and limit your remarks to three minutes.

None.

3. Introduction and Welcome of the New Board Member

Drew Davis was appointed to serve for a two-year term on the Urban Renewal Agency Board, as a City Council Representative, on December 18, 2023. His term will expire on December 31, 2025.

Tabled until the next meeting.

4. Election of Officers for 2024 (A) – Cody Riddle

Per the Agency's bylaws, annual elections for Board Officers are to be held at the first meeting in January. The Agency will need to appoint officers for the positions of Chair, Vice Chair, and Secretary.

Riddle shared that both Beauchamp and McGeehan are willing to serve for another year, if the Board was amenable. Tribble also mentioned that she is happy to continue serving as Secretary.

Lamar moved to elect Steve McGeehan as Chair, Mark Beauchamp as Vice Chair, and Nancy Tribble as Secretary for 2024. Seconded by Kelly. Vote by Acclamation: Ayes: Unanimous (4). Nays: None. Abstentions: None. Motion carried.

5. Professional Services Agreement with Presnell Gage for Audit Services (A) – Cody Riddle

The Agency has utilized the services of Presnell Gage for the annual audit for a number of years. The cost of this service is budgeted annually, but at \$5,950, now exceeds the amount staff can authorize without board approval.

Staff is seeking board approval to execute a professional services agreement for completion of the annual audit.

Riddle informed the Board that the cost for auditing service from Presnell Gage has now exceeded the dollar amount the Executive Director has authority to sign for, and that it would be good to get a formal agreement on record. On a side note, the Agency requested a legislative update and review of urban renewal agency laws and history from Elam-Burke, which Staff will look into scheduling.

Tompkins moved to approve the Professional Services Agreement for the 2023 Audit with Presnell Gage, seconded by Lamar. Vote by Acclamation: Ayes: Unanimous (4). Nays: None. Abstentions: None. Motion carried.

6. Update on the Design of the Sixth and Jackson Street Property (A) – Cody Riddle

On September 14, 2023 the Agency entered into an Exclusive Negotiation Agreement (ENA) with Moscow Hotel, LLC, represented by Carly Lilly and George Skandalos for development of the property located on the southwest corner of Sixth and Jackson Streets. The development team will provide an update on the planning and design efforts that have occurred since execution of the agreement.

Riddle introduced Carly Lilly, one of the developers for the above-mentioned project, and gave the Board a quick reminder of what was discussed at the previous meeting regarding deadlines that have been missed. Lilly talked about struggles regarding the soil composition on the property and how that impacted their plans. The developers are now looking at possibly lowering the building to only 2 or 3 floors instead of 4 or 5.

There was continued discussion regarding the composition of soil on the property. During the remediation of the soil several years ago there was soil added, however not structural quality, but the majority of the problems are occurring outside of that footprint. The firm the developers are working with has known about the problems on a surface level. Lilly requested the Board consider pursuing more remediation to make the soil site more suitable for development, or reimagine the vision for Hello Walk and expectations of the project.

The Board discussed some ideas regarding the use of the property and how it could be buildable with the current soil. Helical piers, or other expanded foundation systems will be necessary for a taller building, but it is not financially feasible based on the developer's current design. The Board provided a few suggestions for modifications to the design. Parking and the Hello Walk are both site constraints, as well as the utility easement on the west side. There continued to be a discussion regarding the difficulties of the property and some possible ways to work around them.

Staff pointed out that if significant changes are made to the scope of the project, the Board would need to consider reissuing a Request for Proposals (RFP) to offer an equitable chance for others to apply. Lilly reiterated that a solution to reduce the site work cost for the developers would be to have the Board apply for more soil remediation grant funds. There was continued conversation about the soil and ways to work with the developers, including ideas for lowering costs. Staff reminded the Board that the constraints and challenges to developing the site are not new, including the utility easement and Hello Walk alignment. These have been in place for many years, and were clearly communicated in the RFP process. Staff also reminded the Board that they could not fund construction of private development. Rather, their assistance was limited to public infrastructure, most of which has already been completed.

It was requested that the developers bring back a preliminary pro forma to build a 3-story mixed-use building on the site. The developers will present a 3-story assessment from their architects and the construction company pro forma at the next meeting.

7. General Agency Updates – Cody Riddle

- Staff directed a conversation regarding providing virtual attendance options at future meetings.
- New legislation proposed around improvement districts that could replace urban renewal districts.

The meeting adjourned at 8:48 a.m.

Steve McGeehan, Agency Chair

Date



Balance Sheet
January 31, 2024

	<u>Total Funds</u>
ASSETS	
Cash	21,309
Investments - LGIP	3,116,548
Investments-Zions Debt Reserve	44,536
Other Assets	5,260
Land	679,420
Total Assets	<u><u>\$ 3,867,073</u></u>
LIABILITIES	
Deposits Payable	5,000
Series 2010 Bond - due within one year	37,000
Latah County payback agreement - due within one year	5,000
Series 2010 Bond - due after one year	121,000
Latah County payback agreement - due after one year	74,537
Total Liabilities	<u>242,537</u>
FUND BALANCES	
Net Investment in Capital Assets	521,420
Restricted Fund Balance	44,312
Unrestricted Fund Balance	3,058,804
Total Fund Balance	<u>3,624,536</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,867,073</u></u>

January-24
Checks by Date



Check Number	Vendor	Description	Check Date	Check Amount
4916	UCITYMOS 15911-12312023	City of Moscow Dec '23 Utilities 6th & Jackson	01/04/2024	331.47
Total for Check Number 4916:				331.47
4917	UAVISTA 1563734669-01172024	Avista Utilities Dec'23 Electric for Legacy Property	01/11/2024	39.83
Total for Check Number 4917:				39.83
4918	UACTUSI 56201-15536 FY24	Cactus International, Inc. URA Website Registration	01/11/2024	19.95
Total for Check Number 4918:				19.95
4919	UCITYMOS 2400002021	City of Moscow City Admin Fees Jan'24	01/11/2024	4,750.42
Total for Check Number 4919:				4,750.42
4920	UWILDER 01182024URA	Wildflour, LLC Meeting Refreshments 01.18.24	01/11/2024	22.50
Total for Check Number 4920:				22.50
Total bills for January 2024:				\$ 5,164.17

January-24

Accounts Payable Checks for Approval



Check	Check Date	Fund Name	Vendor	Void	Amount
4916	01/04/2024	Moscow Urban Renewal Agency	City of Moscow		331.47
4917	01/11/2024	Moscow Urban Renewal Agency	Avista Utilities		39.83
4918	01/11/2024	Moscow Urban Renewal Agency	Cactus International, Inc.		19.95
4919	01/11/2024	Moscow Urban Renewal Agency	City of Moscow		4,750.42
4920	01/11/2024	Moscow Urban Renewal Agency	Wildflour, LLC		22.50
Report Total:				\$ -	5,164.17

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.

Cody Riddle, Executive Director

Renee Tack, Treasurer

General Ledger
Expense vs. Budget

January-24



Account	Description	Amended Budget	Period Amt	End Bal	Variance	% Budget Used
	URA General Fund					
890-880-642-00	Administrative Services	\$ 57,005.00	\$ 4,750.42	\$ 19,001.68	\$ 38,003.32	33.33%
890-880-642-15	Professional Services-Other	\$ 5,000.00	\$ -	\$ 1,250.00	\$ 3,750.00	25.00%
890-880-642-20	Professional Services-Auditing	\$ 5,871.00	\$ -	\$ -	\$ 5,871.00	0.00%
890-880-642-89	Professional Services	\$ 525.00	\$ 19.95	\$ 19.95	\$ 505.05	3.80%
890-880-644-10	Advertising & Publishing	\$ 500.00	\$ -	\$ -	\$ 500.00	0.00%
890-880-668-10	Liability Insurance-General	\$ 1,950.00	\$ -	\$ 2,172.00	\$ (222.00)	111.38%
	Contractual	\$ 70,851.00	\$ 4,770.37	\$ 22,443.63	\$ 48,407.37	31.68%
890-880-631-10	Postage Expense	\$ 100.00	\$ -	\$ -	\$ 100.00	0.00%
890-880-631-20	Printing and Binding	\$ 400.00	\$ -	\$ -	\$ 400.00	0.00%
890-880-647-10	Travel & Meetings-General	\$ 500.00	\$ -	\$ -	\$ 500.00	0.00%
890-880-649-10	Professional Development	\$ 500.00	\$ -	\$ -	\$ 500.00	0.00%
890-880-669-10	Misc. Expense-General	\$ 500.00	\$ 22.50	\$ 22.50	\$ 477.50	4.50%
	Commodities	\$ 2,000.00	\$ 22.50	\$ 22.50	\$ 1,977.50	1.13%
	URA General Fund - Total	\$ 72,851.00	\$ 4,792.87	\$ 22,466.13	\$ 50,384.87	30.84%

General Ledger
Expense vs. Budget

January-24



Account	Description	Amended Budget	Period Amt	End Bal	Variance	% Budget Used
	URA Legacy District					
890-895-642-10	Professional Services-Legacy	\$ 5,150.00	\$ -	\$ -	\$ 5,150.00	0.00%
890-895-642-12	Land Sale Expense-Legacy	\$ 2,060.00	\$ -	\$ -	\$ 2,060.00	0.00%
890-895-644-10	Ad. & Marketing Expense-Legacy	\$ 1,030.00	\$ -	\$ -	\$ 1,030.00	0.00%
	Contractual	\$ 8,240.00	\$ -	\$ -	\$ 8,240.00	0.00%
890-895-647-10	Travel & Meetings-Legacy	\$ 515.00	\$ -	\$ -	\$ 515.00	0.00%
890-895-652-10	Heat, Lights & Utilities	\$ 4,635.00	\$ 371.30	\$ 1,161.69	\$ 3,473.31	25.06%
890-895-658-51	Development Participation	\$ 870,000.00	\$ -	\$ -	\$ 870,000.00	0.00%
890-895-669-10	Misc. Expense-Legacy	\$ 515.00	\$ -	\$ -	\$ 515.00	0.00%
890-895-675-00	Fiscal Agent Trustee fees	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00	0.00%
890-895-676-15	Latah County Reimb. Agreement	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	0.00%
890-895-676-17	Owner Participation Agreements	\$ 63,490.00	\$ -	\$ -	\$ 63,490.00	0.00%
	Commodities	\$ 945,655.00	\$ 371.30	\$ 1,161.69	\$ 944,493.31	0.12%
890-895-890-00	Transfer To: General Fund	\$ 72,851.00	\$ -	\$ -	\$ 72,851.00	0.00%
	Transfers To	\$ 72,851.00	\$ -	\$ -	\$ 72,851.00	0.00%
890-895-900-11	Contingency - Legacy	\$ 15,000.00	\$ -	\$ -	\$ 15,000.00	0.00%
	Contingency	\$ 15,000.00	\$ -	\$ -	\$ 15,000.00	0.00%
	URA Legacy District - Total	\$ 1,041,746.00	\$ 371.30	\$ 1,161.69	\$ 1,040,584.31	0.11%

General Ledger
Expense vs. Budget

January-24



Account	Description	Amended		Period Amt	End Bal	Variance	% Budget Used			
		Budget								
890-892-790-01	Bond Principal - Legacy	\$	37,000.00	\$	-	\$	-	\$	37,000.00	0.00%
890-892-791-01	Bond Interest - Legacy	\$	6,936.00	\$	-	\$	-	\$	6,936.00	0.00%
	Debt Service - Total	\$	43,936.00	\$	-	\$	-	\$	43,936.00	0.00%
890-892-900-01	Ending Fund Bal - Assigned	\$	999,103.00	\$	-	\$	-	\$	999,103.00	0.00%
890-892-990-05	Ending Fund Bal - Restricted	\$	49,752.00	\$	-	\$	-	\$	49,752.00	0.00%
890-899-990-00	Ending Fund Bal - Unassigned	\$	190,391.00	\$	-	\$	-	\$	190,391.00	0.00%
	Ending Fund Balance - Total	\$	1,239,246.00	\$	-	\$	-	\$	1,239,246.00	0.00%
TOTAL	Moscow Urban Renewal Agency	\$	2,397,779.00	\$	5,164.17	\$	23,627.82	\$	2,374,151.18	0.99%

General Ledger
Revenue Analysis

January 2024



Account Number	Description	Budgeted Revenue	Period Revenue	YTD Revenue	Variance	Uncollected Bal	% Avail/Uncollect	% Received
890	Moscow Urban Renewal Agency							
890-000-410-01	Property Taxes - Legacy	\$ 988,278.00	\$ 405,715.88	\$ 440,364.13	\$ 547,913.87	\$ 547,913.87	55.44%	44.56%
890-000-471-00	Investment Earnings	\$ 45,000.00	\$ 12,350.79	\$ 36,239.62	\$ 8,760.38	\$ 8,760.38	19.47%	80.53%
890-000-498-96	Transfer In: Legacy	\$ 72,851.00	\$ -	\$ -	\$ 72,851.00	\$ 72,851.00	100.00%	0.00%
890	Moscow Urban Renewal Agency	\$ 1,106,129.00	\$ 418,066.67	\$ 476,603.75	\$ 629,525.25	\$ 629,525.25	56.91%	43.09%
Revenue Total		\$ 1,106,129.00	\$ 418,066.67	\$ 476,603.75	\$ 629,525.25	\$ 629,525.25	56.91%	43.09%



EXCLUSIVE NEGOTIATION AGREEMENT

between

Moscow Urban Renewal Agency

and

Carly Lilly and George Skandalos

For the development of:

Property Located at the Southwest Corner of the Intersection of 6th and
Jackson Streets in the City of Moscow, Idaho

September 14, 2023

EXCLUSIVE NEGOTIATION AGREEMENT

This EXCLUSIVE NEGOTIATION AGREEMENT (hereinafter “Agreement” or “ENA”) is entered into by and between the MOSCOW URBAN RENEWAL AGENCY of the City of Moscow, Idaho, an independent public body, corporate and politic (hereinafter “Agency”), organized pursuant to the Idaho Urban Renewal Law, Title 50, Chapter 20, Idaho Code, as amended (hereinafter the “Law”), and undertaking projects under the authority of the Law and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code, as amended (hereinafter the “Act”), and Carly Lilly and George Skandalos or their assigns as provided for herein (hereinafter “Developer”), collectively referred to as the “Parties” and each individually as “Party,” on the terms and provisions set forth below. The effective date is the date this Agreement is signed by both Parties (last date signed).

RECITALS

WHEREAS, Agency, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of the Law and the Act; and

WHEREAS, the City Council of the City of Moscow, Idaho (the “City”), after notice duly published and following a public hearing, adopted its Ordinance No. 2008-10 on June 2, 2008, approving the Legacy Crossing Urban Renewal District Redevelopment Plan (hereinafter the “Plan”), establishing the Legacy Crossing revenue allocation area (the “Project Area”), which Plan provides for improvement, development and redevelopment of properties within the boundaries of the Project Area; and

WHEREAS, Agency currently owns two parcels of real property located at the Southwest corner of the intersection of Sixth and Jackson Streets (hereinafter the “Property”), as shown and described in Exhibit A, which Property is located within the Project Area; and

WHEREAS, Agency seeks to encourage development to revitalize the Project Area in conformance with the Plan through disposition and development of the Property; and

WHEREAS, Agency published a Request for Proposals for Redevelopment of the Property in conformance with the Law and the Act (hereinafter the “Request for Proposals”) and received one (1) proposal for development of the Property; and

WHEREAS, Developer has submitted a complete and timely response to Agency’s Request for Proposals for Redevelopment of the Property;

WHEREAS, at a public meeting on July 6, 2023, the Agency Board selected Developer’s proposal, attached hereto as Exhibit B; and

WHEREAS, Agency and Developer intend to pursue the negotiation of a Disposition and Development Agreement (“DDA”) and, thus comply with the required notice provisions concerning the disposition of property by Agency as set forth in the Law; and

WHEREAS, Agency seeks to enter into an agreement with Developer for the purpose of analyzing and assessing a development opportunity for the Property as defined in this Agreement.

NOW, THEREFORE, Agency and Developer hereby agree as follows:

AGREEMENT

1. NEGOTIATIONS.

1.1 GOOD-FAITH EXCLUSIVE NEGOTIATIONS. The Parties agree the foregoing recitals are not mere recitations but are covenants of the Parties, binding upon them as may be appropriate and a portion of the consideration for the agreements contained herein.

Agency and Developer agree for the Negotiation Period set forth below to negotiate diligently and in good faith to prepare a DDA to be considered for execution between Agency and Developer, in the manner set forth herein, with respect to the development of the Property. During the Negotiation Period (defined below), Agency will not negotiate with any person or entity other than Developer with respect to the disposition or development of the Property.

1.2 NEGOTIATION PERIOD. The duration of this Agreement (the “Negotiation Period”) shall commence on the Effective Date and shall terminate at 5:00 PM local time on April 18, 2024 (the “Termination Date”). Provided, Agency may in its discretion extend the Negotiation Period for an additional thirty (30) days beyond the Termination Date. Agency may, at its discretion, require Developer to pay an extension fee of \$5,000.00 for any such extension requested by Developer.

If, upon expiration of the Negotiation Period, the Developer has not executed a mutually approved DDA, then this Agreement shall automatically terminate, unless extended in writing by Agency. Once a DDA is signed by both Developer and Agency, then the terms of the DDA shall prevail and this Agreement shall automatically terminate.

If the negotiations do not result in an executed DDA, Developer shall submit to Agency a summary of its findings and determinations regarding the proposed development. If this Agreement is terminated per this section, Developer shall not seek reimbursement for costs and expenses from Agency.

1.3 DEPOSIT. Developer agrees to submit to Agency a deposit (along with any extension payment, “Deposit”) in the amount of Five Thousand and no one/hundredths dollars (\$5,000.00) to enter into an agreement to negotiate exclusively with Agency with regards to the Property. The deposit shall then be applied against the purchase price for the Property as

determined by the DDA. Provided, if the Parties terminate this Agreement before Agency incurs any costs in preparing the Reuse Appraisal, defined below, the Deposit shall be refunded in its entirety to Developer. After Agency incurs any third-party costs in preparing the Reuse Appraisal, such costs shall be deducted from the amount of the Deposit refunded to Developer (if any).

Submission of the Deposit must occur within fifteen (15) days of the Effective Date. If Developer fails to submit said Deposit within the fifteen (15) day period, Agency may terminate this Agreement, with neither Party having any further rights against nor liability to the other under this Agreement, unless as agreed to in writing by Agency.

Agency shall be under no obligation to pay or earn interest on Developer's Deposit, but if interest shall accrue or be payable thereon, such interest (when received by Agency) shall become part of the Deposit.

1.4 TERMINATION. In the event Developer has not continued to negotiate diligently and in good faith, Agency shall give written notice thereof to Developer, who shall then have five (5) working days to commence negotiating in good faith. Following the receipt of such notice and the failure of Developer to thereafter commence negotiating in good faith within such five (5) working days, this Agreement may be terminated by Agency. In the event of such termination by the Agency, Agency shall retain the Deposit, and neither Party shall have any further rights against or liability to the other under this Agreement, save and except the right of Developer to contest such action by Agency. In the event Agency has not continued to negotiate diligently and in good faith, Developer shall give written notice thereof to Agency, which shall then have five (5) working days to commence negotiating in good faith. Following the receipt of such notice and the failure of Agency to thereafter commence negotiating in good faith within such five (5) working days, this Agreement may be terminated by Developer. In the event of such termination by Developer, Agency shall immediately return the entire Deposit to Developer, less costs incurred by Agency, and neither Party shall have any further rights against or liability to the other under this Agreement. Upon automatic termination of this Agreement at the expiration of the Negotiation Period or any extension thereof or other termination, then concurrently therewith, the Deposit shall be paid by Agency to Developer, less costs incurred by Agency, and neither Party shall have any further rights against or liability to the other under this Agreement. If a DDA has been executed by the Agency and Developer, the DDA shall thereafter govern the rights and obligations of the Parties with respect to the development of the Property.

2. DEVELOPMENT CONCEPT.

2.1 SCOPE OF DEVELOPMENT. Within the time set forth in Exhibit C, Schedule of Performance, Developer shall submit to Agency Developer's specific proposed scope of development regarding the use of the Property (hereinafter referred to as the "Project"). Upon the Effective Date, Developer shall begin immediately the process of preparing a development plan for the Property ("Development Plan"). The Development Plan shall include design and construction drawings for the Project and an implementation program

including project development schedule. Specific parts of the Development Plan will include, but not be limited to, square footage by type of uses, number of parking spaces, perspective renderings, site plan, floor plans, landscape plans, building elevations/sections, representative unit layout, and other drawings, documents and reports necessary to obtain a construction permit from the City. The Development Plan shall also include a project schedule detailing any project bid advertisements, openings and awards, along with the anticipated commencement and completion of construction activities upon the Property. Submittal of the Development Plan initiates a two-phase review process outlined as follows:

Phase 1: Conditional approval of the initial plan submittal acknowledges Agency's endorsement of the Development Plan for the described Project. Developer is encouraged to refine and supplement the Development Plan submittals and to work with Agency toward successful completion of the second review, if required, which will culminate in compliance with the provisions of the Moscow City Zoning Ordinance and related local government requirements.

Phase 2: Within the times set forth in the Schedule of Performance, Agency shall either approve or disapprove the Development Plan. In the event the Development Plan and submittal are initially disapproved, Agency shall set forth the reasons for disapproval. Developer shall then have thirty (30) days to resubmit information to satisfy the reasons for disapproval; provided, however, in the event the Development Plan is again disapproved, the Agency may terminate this Agreement and the Deposit less any costs incurred by Agency shall be refunded to Developer.

In the event at any time during the Negotiation Period the Developer determines that it is not feasible to proceed with development of the Property, this Agreement shall be terminated upon ten (10) days' written notice to Agency. Likewise, in the event at any time during the Negotiation Period the Agency determines that it is not feasible to proceed to the development of the Property, this Agreement shall be terminated upon ten (10) days' written notice to Developer. In the event of such termination, Agency shall return the Deposit to Developer less any costs incurred by Agency, and neither Party shall have any further rights against or liability to the other under this Agreement. Developer acknowledges and consents that in the event this Agreement is terminated for nonperformance by Developer, or Developer's conclusion that the Project is not feasible, or the Project is terminated for any reason hereunder, Agency has the right and authority to enter into an exclusive right to negotiate agreement with any other interested developer.

2.2 CONSISTENT PLANS. Developer's Development Plan shall recognize and be consistent with Agency's Plan, subject to the provisions defined in this Agreement.

2.3 COORDINATION WITH ADJACENT DEVELOPMENT. During the Negotiation Period, Developer shall use its best efforts to coordinate its Development Plan and design with the adjacent development.

2.4 PROGRESS REPORTS. Developer agrees to make oral and written progress reports advising Agency on all matters and all studies being made by Developer on a monthly basis or at the request of Agency.

2.5 ENVIRONMENTAL CONDITION. Developer acknowledges that in the development of the Project, it has previously received and reviewed certain environmental reports, which have included an investigation of the Property. The environmental reports include a Certificate of Completion and Covenant Not to Sue from April 2017.

3. PURCHASE PRICE. The purchase price to be paid by Developer under the DDA will be established by Agency after preliminary negotiations with Developer. Such purchase price shall be established by Agency during the Negotiation Period. Based on the Development Plan, Agency will prepare and provide Developer with a copy of the reuse appraisal (the "Reuse Appraisal") based upon the information developed through the Development Plan as described in this Agreement. The Reuse Appraisal shall establish the fair reuse value of the Property as required under the Law. Developer recognizes that under the Law, the purchase price cannot be less than the fair value for uses.

At the time Developer submits the Development Plan to Agency, Developer shall submit to Agency the data required by the appraiser (the "Reuse Appraiser") who has been selected by Agency, which data is needed by the Reuse Appraiser to prepare the Reuse Appraisal for the Property. Developer may be required to supplement the data provided to the Reuse Appraiser during the course of the Reuse Appraisal and shall submit this supplementary data in a timely manner as required by the Reuse Appraiser and Agency. The data provided to the Reuse Appraiser includes but may not be limited to market conditions, density of development, costs of development, developer revenues, risks of Agency, risks of Developer, unit types, projected rents, construction type and materials, exterior/interior finish materials, leasing for other uses, Developer participation in the funding of public facilities and amenities, and estimated or actual Developer profit.

Developer acknowledges that Agency will be unable to commence the Reuse Appraisal process without Developer's submittal of the necessary data, and Developer acknowledges that Agency will be unable to complete negotiation of the terms of the DDA without the results of the Reuse Appraisal. The purchase price and DDA shall be subject to approval by Agency. During the Negotiation Period, Agency and Developer will negotiate the schedule for the disposition and development of the Property.

4. DEVELOPER'S RESPONSIBILITIES.

4.1 NATURE OF THE DEVELOPER. Developer is Carly Lilly and George Skandalos, or their assigns. Notwithstanding any other provision of this Agreement, Developer reserves the right, at Developer's discretion and without prior written consent of Agency, to join and associate with other entities for the purpose of acquiring and developing the Property, provided that Developer maintains operating control of such entities and remains fully responsible to Agency as provided in this Agreement with respect to the Property. Wherever

the term "Developer" is used herein, such term shall include any permitted nominee or assignee as herein provided.

4.2 PRINCIPAL OFFICE OF THE DEVELOPER. The mailing address of Developer is 122 West Fourth Street, Moscow ID 83843.

4.3 DEVELOPER'S DEVELOPMENT TEAM. "Development Team" is defined as the Developer together with all contracted professionals and principal associates identified pursuant to this Section. The Developer's architect, attorney, project manager and other members of the development team will be identified at a later date and will be incorporated into the DDA. Any significant change during the period of this Agreement of the Development Team or in the controlling interest of Developer of the Project covered by this Agreement is subject to the approval of Agency, such approval not to be unreasonably withheld or delayed.

4.4 DEVELOPER'S LEGAL COMPLIANCE. Developer recognizes it will be required to comply with all applicable laws, including, but not limited to: all applicable federal and state labor standards; antidiscrimination standards; affirmative action standards; nondiscrimination and non-segregation standards; laws; pre-existing legal, use, and all development and zoning regulations, and any applicable covenants and restrictions; and regulations in development, rental, sale, or lease of the Property.

4.5 DEVELOPER'S FINANCIAL CAPACITY. Developer acknowledges that the DDA will require that Developer submit to Agency satisfactory evidence of Developer's plan for financing the Project sufficient to permit Agency to determine Developer's ability to finance and complete the Project. The timing of submittal and forms of such evidence of financing shall be addressed in the DDA. The evidence of financing may include evidence of the approval for construction financing for the Developer's portions of the development and long-term financing for the Property.

5. AGENCY'S RESPONSIBILITIES.

5.1 AGENCY ASSISTANCE AND COOPERATION. Agency shall cooperate fully in providing Developer with appropriate information and assistance.

5.2 REAL ESTATE COMMISSIONS. Agency shall not be liable for any real estate commission or brokerage fees which may arise from the disposition and development of the Property. Agency represents that it has not retained any real estate broker to assist in this transaction. Agency agrees to hold Developer harmless from any claim by any broker, agent, or finder retained by Agency. Developer has not retained any real estate broker to assist in this transaction and Developer agrees to hold Agency harmless from any claim by any broker, agent, or finder retained by Developer.

5.3 LIMITATIONS AND CONDITIONS OF THIS AGREEMENT. By its execution of this Agreement, Agency is not committing itself to or agreeing to undertake: (a) disposition of land to Developer; or (b) any other acts or activities requiring the subsequent independent

exercise of discretion by Agency, the City, or any agency or department thereof; or (c) any other acts or activities requiring the subsequent independent exercise of discretion by any federal or state agency, including, but not limited to, environmental clearance and historic preservation approval. Execution of this Agreement by the Parties does not constitute a disposition of property by Agency or City of Moscow, Idaho.

6. GENERAL PROVISIONS.

6.1 REMEDIES AND DAMAGES. Notwithstanding anything to the contrary contained in this Agreement, Developer's obligations hereunder are nonrecourse, and Agency's only recourse and security for those obligations shall be retention of the Deposit. Nothing stated in this section shall be deemed to have affected a release or impairment of Agency's fee title to the Property. If a dispute arises out of or relates to this Agreement or the breach thereof and if said dispute cannot be settled through direct discussions, the Parties agree to first endeavor to settle the dispute in an amicable manner by mediation or other process of structured negotiation under the auspices of a nationally or regionally recognized organization providing such services in the northwestern states or otherwise, as the Parties may mutually agree before resorting to litigation or to arbitration. In the event of any action or proceeding described in this section between any of the Parties to this Agreement to enforce any provision of this Agreement or to protect or establish any right or remedy of any Party hereunder, the unsuccessful Party to such proceeding shall pay the prevailing Party all costs and expenses, including reasonable attorney fees incurred therein by such prevailing Party (including such costs and fees incurred on appeal), and if such prevailing Party shall recover judgment in any such action or proceeding, such costs, expenses, and attorney fees shall be included in and as a part of such judgment.

6.2 NO RECORDATION. In no event shall any Party record this Agreement or any memorandum hereof or otherwise encumber the Property by reason of the selection process, this Agreement, or the negotiations contemplated hereby.

6.3 FORCE MAJEURE. Time periods provided for performance of the obligations set forth in this Agreement shall be extended for a period or periods of time equal to any period or periods of delay caused by strikes, lockouts, fire, or other casualty, litigation by third parties, the elements or acts of God, or other causes, other than financial, which are beyond the reasonable control of the Party having the relevant obligation.

6.4 SUCCESSORS AND ASSIGNS. Except for the permitted assignment by Developer as specifically authorized in this agreement in Section 4.1 above, no Party may assign or delegate its obligations under this Agreement without the consent of each other Party hereto, which consent may be withheld in the discretion of that Party. Except as otherwise set forth in this Agreement, the terms, covenants, conditions, and agreements contained herein shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the Parties hereto.

6.5 NUMBER AND GENDER. In constructing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

6.6 NO THIRD-PARTY BENEFICIARY. This Agreement is not intended to create, does not create, nor shall it be in any way interpreted or construed to create, any third-party beneficiary rights in any person not a Party hereto unless otherwise expressly provided herein.

6.7 COUNTERPARTS. This Agreement may be executed in counterparts, and each counterpart shall then be deemed for all purposes to be an original, executed agreement with respect to the Parties whose signatures appear thereon.

6.8 ANTI-BOYCOTT AGAINST ISRAEL CERTIFICATION. In accordance with Idaho Code Section 67-2346, Developer, by entering into this Agreement, hereby certifies that it is not currently engaged in, or for the duration of this Agreement will not engage in, a boycott of goods or services from the State of Israel or territories under its control.

6.9 CONTRACT WITH A COMPANY OWNED OR OPERATED BY THE GOVERNMENT OF CHINA PROHIBITED. Pursuant to Idaho Code Section 67-2359 Developer, by entering into this Agreement, hereby certifies it is not currently owned or operated by the government of China and will not for the duration of this Agreement be owned or operated by the government of China.

6.10 NOTICES. Formal notices, demands, and communications between Agency and Developer shall be sufficiently given if sent by registered or certified mail, postage prepaid and return receipt requested, to the principal offices of Agency and Developer as set forth below. Routine communication may be by first class mail, e-mail, facsimile, or telephone.

AGENCY

Moscow Urban Renewal Agency
Cody Riddle, Executive Director
504 South Washington Street
Moscow, ID 83843

DEVELOPER

Moscow Hotel, LLC
Carly Lilly and George Skandalos
122 West Fourth Street
Moscow, ID 83843

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set opposite their signatures. The effective date of this Agreement shall be the date this Agreement is signed by Agency.

Dated this 14 day of September, 2023.

AGENCY:

URBAN RENEWAL AGENCY OF THE CITY OF MOSCOW

By [Signature]
Steve McGeehan, Chair



ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF LATAH)

On this 14th day of September, 2023, before me, a Notary Public in and for said State, appeared Steve McGeehan, known to me to be the person named above and acknowledged that they executed the foregoing document as the duly authorized representative for the Urban Renewal Agency of the City of Moscow, Idaho.



[Signature]
Notary Public for the State of Idaho
Residing at Moscow
My commission expires 10-08-2026

Dated this 18th day of September, 2023.

DEVELOPER:

MOSCOW HOTEL, LLC

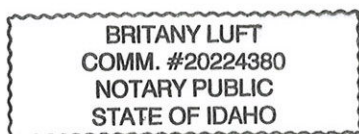
By [Signature]
Carly Lilly, Owner

By [Signature]
George Skandalos, Owner

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF LATAH)

On this 18th day of September, 2023, before me, a Notary Public in and for said State, appeared Carly Lilly, known to me to be the person named above and acknowledged that s/he executed the foregoing document as a duly authorized representative for Moscow Hotel, LLC.

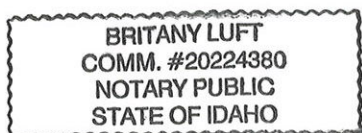


[Signature]
Notary Public for the State of Idaho
Residing at Moscow, ID
My commission expires 9/7/28

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF LATAH)

On this 18th day of September, 2023, before me, a Notary Public in and for said State, appeared George Skandalos, known to me to be the person named above and acknowledged that s/he executed the foregoing document as a duly authorized representative for Moscow Hotel, LLC.



[Signature]
Notary Public for the State of Idaho
Residing at Moscow, ID
My commission expires 9/7/28

[illegible]

Exhibit 'A'

Section 18, T39N, R5W, BM

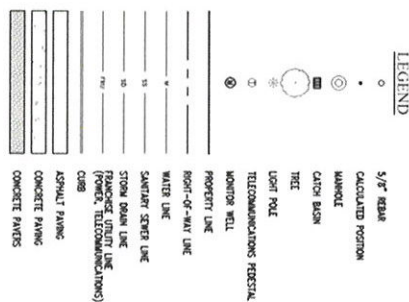
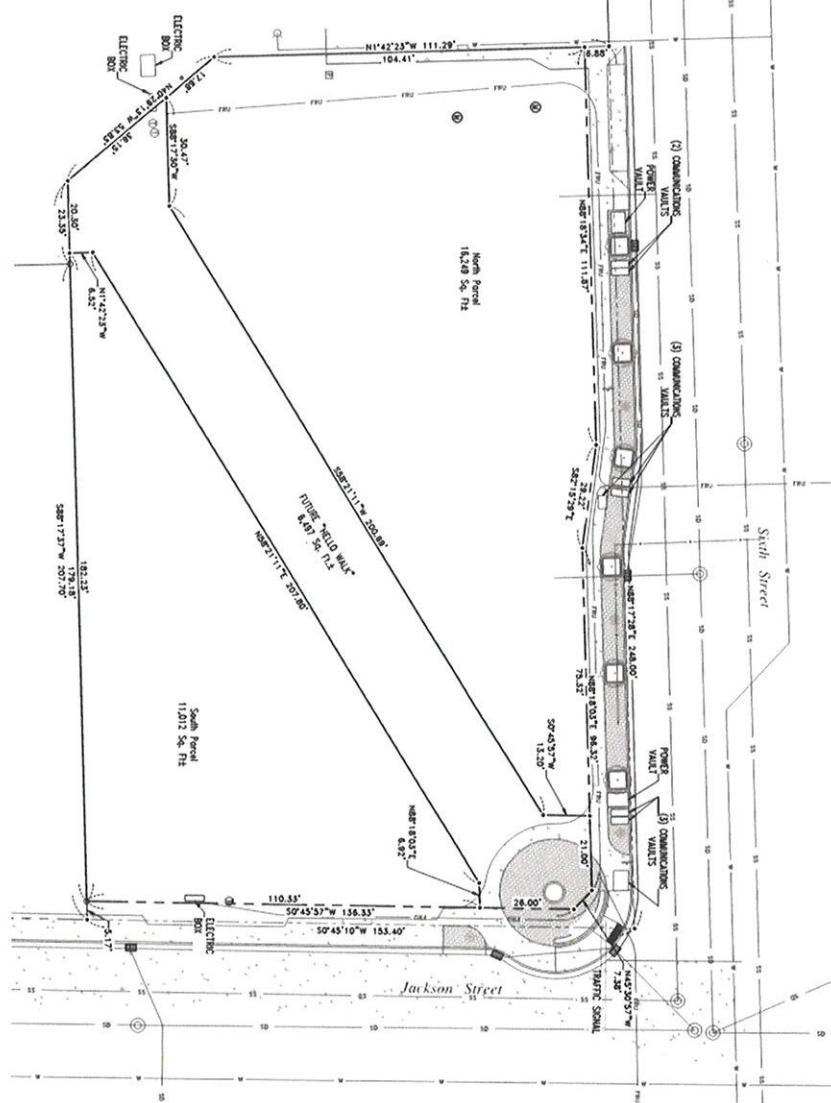


Exhibit Drawing - Existing Conditions
City of Moscow - 6th Street Property
 Latah County, Idaho

PRELIMINARY
NOT FOR
RECORDING

RIM ROCK CONSULTING, INC.
 1000 N. 10th Street
 Moscow, ID 83840
 Phone: 208.388.8888
 Fax: 208.388.8889
 Email: info@rimrockconsulting.com

Drawn By:	SW
Checked By:	MT
File Name:	1888 EXISTING
Title:	EXIST
Plot Size:	0.5x0.5
Project:	20-- Mos 17
Date:	5/20/18

1 of 2

Legal Description by Hodge & Associates
For Moscow Urban Renewal Agency
North Parcel at Sixth and Jackson

A parcel of land located in the Northeast Quarter of the Northeast Quarter of Section 18,
Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, described as follows:

Commencing at the northeast corner of the Northeast Quarter of Section 18; Thence along the north line thereof, S87°45'28"W, 363.92 feet to a point on the west right-of-way line of Jackson Street; Thence leaving said north line, along said west right-of-way line, S00°45'10"W, 40.18 feet to the northeast corner of a parcel of land described in Deed of Dedication, Instrument #584290, Latah County records; Thence along the east line thereof S00°45'10"W, 153.40 feet to the southeast corner thereof and the northeast corner of a parcel of land described in Warranty Deed, Instrument #587656, Latah County records; Thence along the south line of the parcel described in said Deed of Dedication and the north line of the parcel described in said Warranty Deed, S88°17'30"W, 5.17 feet to the southwest corner of the parcel described in said Deed of Dedication and a point on the west right-of-way line of Jackson Street; Thence continuing along said north line and along the north line of a parcel of land described in Statutory Warranty Deed, Instrument #505406, Latah County records, S88°17'30"W, 202.53 feet; Thence along the east boundary thereof, N40°29'13"W, 36.15 feet to the **Point of Beginning**.

Thence continuing along said east boundary the following two courses:

N40°29'13"W, 17.68 feet;

Thence N01°42'23"W, 104.41 feet to a point on the south right-of-way line of Sixth Street and the southwest corner of a parcel of land described in Deed of Dedication, Instrument #584290;

Thence along said south right-of-way and along the south line of said parcel the following Three courses:

N88°18'34"E, 111.87 feet;

Thence S82°15'29"E, 29.22 feet;

Thence N88°18'03"E, 75.32 feet;

Thence leaving said common south line, S00°45'57"W, 13.20 feet;

Thence S58°21'11"W, 200.69 feet;

Thence S88°17'30"W, 30.47 feet to the **Point of Beginning**.

Parcel 16,249 square feet, more or less.

Subject to: Permanent Public Utility Easement, Instrument #474255.



Legal Description by Hodge & Associates
For Moscow Urban Renewal Agency
Hello Walk at Sixth and Jackson

A parcel of land located in the Northeast Quarter of the Northeast Quarter of Section 18,
Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, described as follows:

Commencing at the northeast corner of the Northeast Quarter Section 18; Thence along the north line thereof, S87°45'28"W, 363.92 feet to a point on the west right-of-way line of Jackson Street; Thence leaving said north line, along said west right-of-way line, S00°45'10"W, 40.18 feet to the northeast corner of a parcel of land described in Deed of Dedication, Instrument #584290, Latah County records; Thence along the east line thereof S00°45'10"W, 153.40 feet to the southeast corner thereof; Thence along the south line thereof, S88°17'30"W, 5.17 feet to the southwest corner thereof and a point on the west right-of-way line of Jackson Street; Thence along said west right-of-way line and along the west line of said parcel, N00°45'57"E, 110.33 feet to the **Point of Beginning**.

Thence leaving said common west line, S88°18'03"W, 6.92 feet;
Thence S58°21'11"W, 207.80 feet;
Thence S01°42'23"E, 6.52 feet to a point on the east boundary of a parcel of land described in Statutory Warranty Deed, Instrument #505406, Latah County records;
Thence along said east boundary line the following two courses:
 S88°17'30"W, 20.30 feet;
 Thence N40°29'13"W, 36.15 feet;
Thence leaving said east boundary, N88°17'30"E, 30.47 feet;
Thence N58°21'11"E, 200.69 feet;
Thence N00°45'57"E, 13.20 feet to a point on the south line of the parcel of land described in Deed of Dedication, Instrument #584290 and the south right-of-way line of Sixth Street;
Thence along said south line and along said south right-of-way line, N88°18'03"E, 21.00 feet;
Thence along the west line of said parcel, S45°30'57"E, 7.38 feet to a point on the west right-of-way line of Jackson Street;
The continuing along said west line and along said west right-of-way line, S00°45'57"W, 26.00 feet to the **Point of Beginning**.

Parcel 6,497 square feet, more or less.



Legal Description by Hodge & Associates
For Moscow Urban Renewal Agency
Access Easement at Sixth and Jackson

A 12.00 foot wide Access Easement located in the Northeast Quarter of the Northeast Quarter of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, being a strip of land running parallel to and south of the following described line:

Commencing at the northeast corner of the Northeast Quarter of Section 18; Thence along the north line thereof, S87°45'28"W, 363.92 feet to a point on the west right-of-way line of Jackson Street; Thence leaving said north line, along said west right-of-way line, S00°45'10"W, 40.18 feet to the northeast corner of a parcel of land described in Deed of Dedication, Instrument #584290, Latah County records; Thence along the east line thereof S00°45'10"W, 153.40 feet to the southeast corner thereof, the northeast corner of a parcel of land described in Warranty Deed, Instrument #587656, Latah County records, and the **Point of Beginning**.

Thence along the north line of said parcel S88°17'30"W, 130.05 feet to the **End of this Easement**.

The south line of this easement to be shortened on the east end to begin at the west right-of-way line of Jackson Street.

Parcel 1,558 square feet, more or less.



Legal Description by Hodge & Associates
For Moscow Urban Renewal Agency
South Parcel at Sixth and Jackson

A parcel of land located in the Northeast Quarter of the Northeast Quarter of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, described as follows:

Commencing at the northeast corner of the Northeast Quarter of Section 18; Thence along the north line thereof, S87°45'28"W, 363.92 feet to a point on the west right-of-way line of Jackson Street; Thence leaving said north line, along said west right-of-way line, S00°45'10"W, 40.18 feet to the northeast corner of a parcel of land described in Deed of Dedication, Instrument #584290, Latah County records; Thence along the east line thereof S00°45'10"W, 153.40 feet to the southeast corner thereof and the northeast corner of a parcel of land described in Warranty Deed, Instrument #587656, Latah County records; Thence along the south line of the parcel described in said Deed of Dedication and the north line of the parcel described in said Warranty Deed, S88°17'30"W, 5.17 feet to the southwest corner of the parcel described in said Deed of Dedication, a point on the west right-of-way line of Jackson Street and the **Point of Beginning**.

Thence continuing along said north line and along the north line of a parcel of land described in Statutory Warranty Deed, Instrument #505406, Latah County records, S88°17'30"W, 182.23 feet; Thence leaving the north line of the parcel of land described in said Statutory Warranty Deed, N01°42'23"W, 6.52 feet; Thence N58°21'11"E, 207.80 feet; Thence N88°18'03"E, 6.92 feet to a point on the west right-of-way line of Jackson Street and the west line of the parcel of land described in Deed of Dedication, Instrument #584290; Thence along said common west line, S00°45'57"W, 110.33 feet to the **Point of Beginning**.

Parcel contains 11,012 square feet, more or less.

Together With: A 12.00 foot wide Access Easement located in the Northeast Quarter of the Northeast Quarter of Section 18, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, being a strip of land running parallel to and south of the following described line:

Commencing at the northeast corner of the Northeast Quarter of Section 18; Thence along the north line thereof, S87°45'28"W, 363.92 feet to a point on the west right-of-way line of Jackson Street; Thence leaving said north line, along said west right-of-way line, S00°45'10"W, 40.18 feet to the northeast corner of a parcel of land described in Deed of Dedication, Instrument #584290, Latah County records; Thence along the east line thereof S00°45'10"W, 153.40 feet to the southeast corner thereof, the northeast corner of a parcel of land described in Warranty Deed, Instrument #587656, Latah County records, and the **Point of Beginning**.

Thence along the north line of said parcel S88°17'30"W, 130.05 feet to the **End of this Easement**.

The south line of this easement to be shortened on the east end to begin at the west right-of-way line of Jackson Street.

Easement contains 1,558 square feet, more or less.



EXHIBIT B

DEVELOPER'S RESPONSE TO THE RFP



W 6th St

S Jackson St

S Washington St

patio

retail (1,500 sq ft)

retail (1,500 sq ft)

retail (1,500 sq ft)

retail (1,500 sq ft)

laundry mech

lobby

elec

patio

pocket park

bike parking (20 spaces)

24h parking

raised crosswalk

entrance

small retail (avg. 1,500 SF)
large retail (2004 SF)

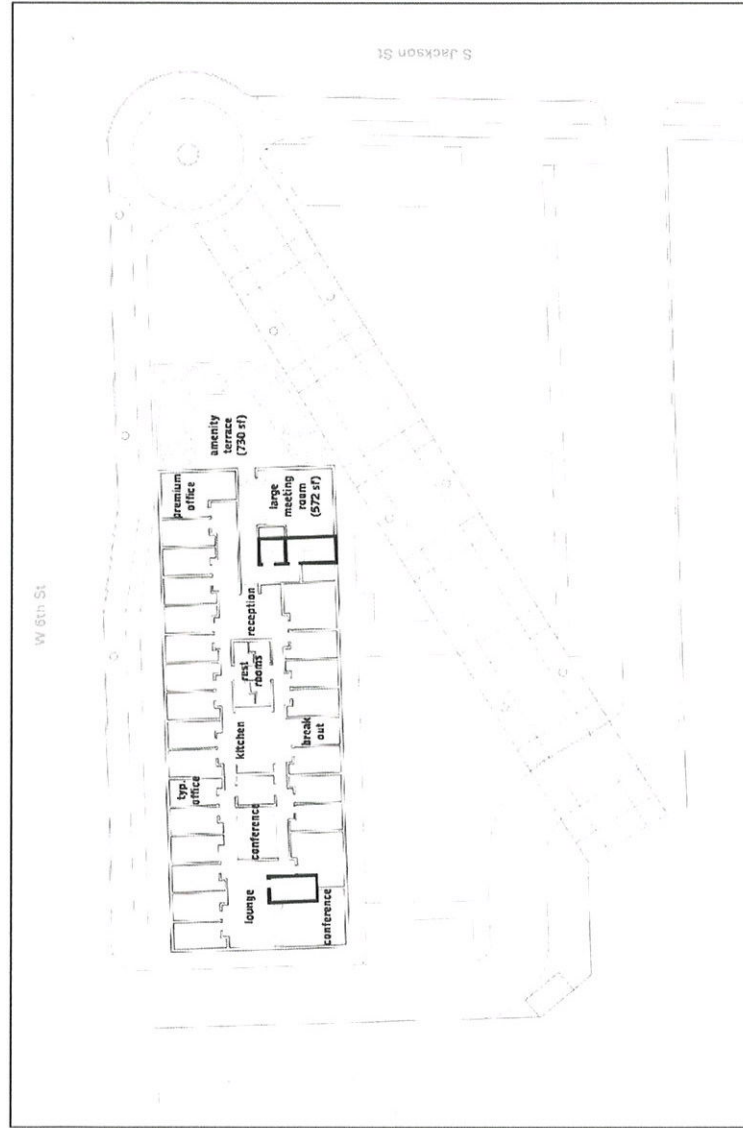
8,080 GFA
11,639 GSF

MOSCOW HOTEL, LLC

Page 19 of 23

FLOOR PLANS

LEVEL 2



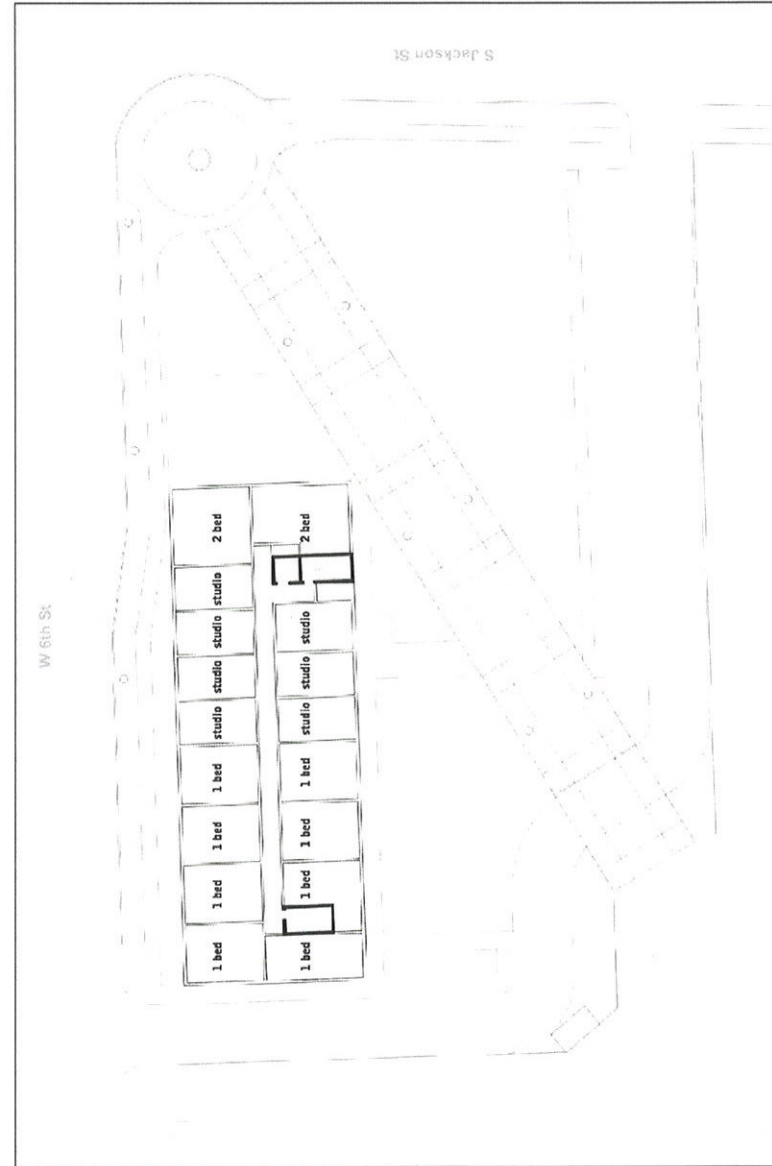
office / co-working
 21 Private Offices (130 SF)
 3 Premium Offices (300 SF)
 shared amenity (1302 SF)
 9,238 GFA
 10,311.5 GSF

atelierjones, llc
 architecture | landscape | plans + mg

MOSCOW HOTEL, LLC

LEGACY CROSSING
 6th St. & S Jackson St.
 MOSCOW, ID 18 APRIL 2023

FLOOR PLANS



LEVELS 3-5
3 levels residential
21 studio (325 SF)
24 one bedroom (490 SF)
6 two bedroom (675 SF)
51 units total
23,953 NRSF
30,934.5 GSF

LEGACY CROSSING
6th St. & S Jackson St.
MOSCOW, ID
18 APRIL 2023

MOSCOW HOTEL, LLC

atelierjones, llc
architecture | landscape | planning



EXHIBIT C

SCHEDULE OF PERFORMANCE

ACTION	DATE
<u>1. Deposit.</u> The Developer shall deliver the Deposit to the Agency.	No later than October 6, 2023.
<u>2. Submission of Phase I Development Plans.</u> The Developer shall submit Development Plans to Agency for approval.	No later than December 1, 2023.
<u>3. Agency Approval or Disapproval of Phase I Development Plans.</u> Agency shall provide approval or disapproval of Developer's Phase I development plans.	No later than January 4, 2024.
<u>4. Submission of Phase II Development Plans.</u> The Developer shall submit Development Plans to Agency for approval.	No later than February 2, 2024.
<u>5. Agency approval or disapproval of Phase II Development Plans.</u> Agency shall provide approval or disapproval of Developer's development plans.	No later than February 22, 2024.
<u>6. 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 approval process.	No later than March 22, 2024.
<u>7. DDA Consideration.</u> The Agency Board shall consider and approve if appropriate the DDA.	No later than April 18, 2024.



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
criddle@ci.moscow.id.us

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.

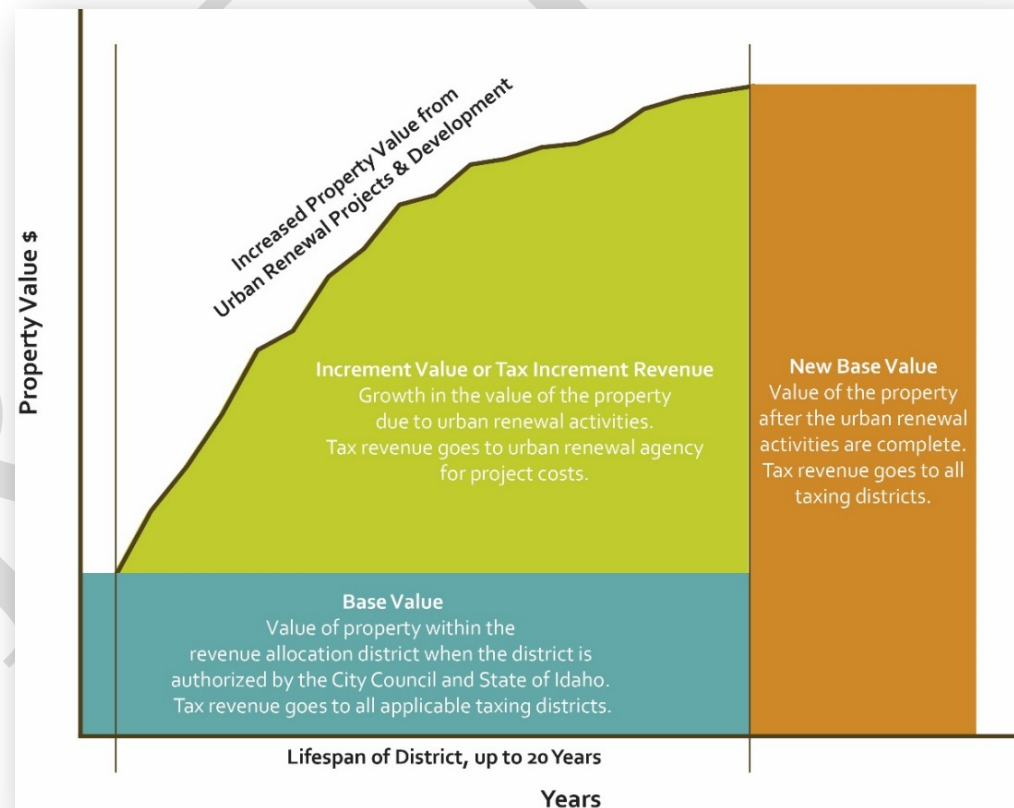
The Chairperson is the Chief Presiding Officer of the Agency. The Chair executes all deeds, bonds, contracts and other legal documents authorized by the Commission. Some of the Chair's duties may be delegated by the Board of Commissioners to the Agency's Executive Director who oversees the day-to-day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

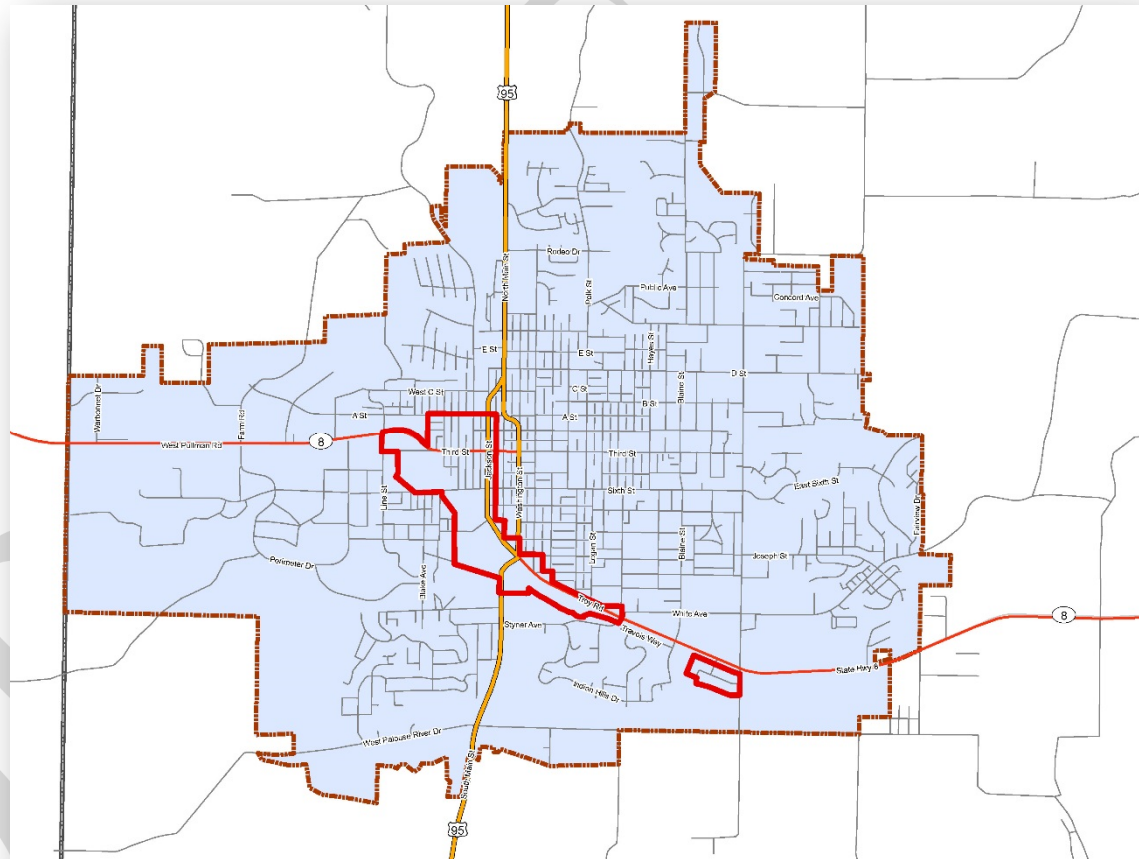
Tom Lamar, County Commissioner

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.



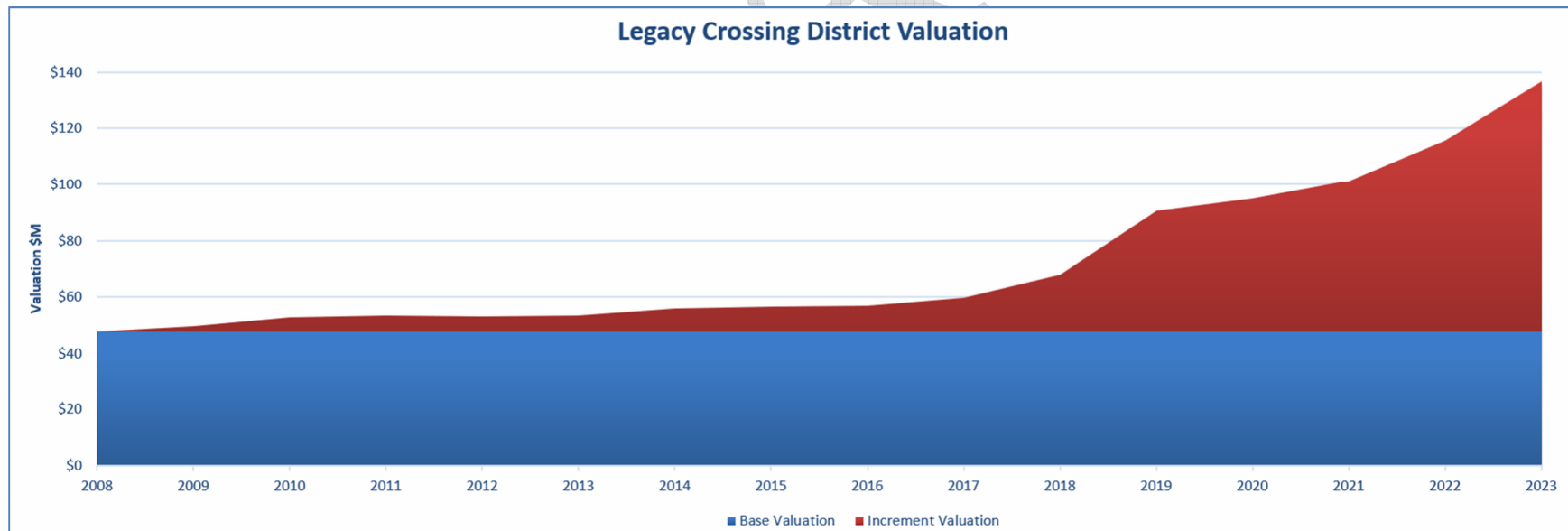
LEGACY CROSSING URBAN RENEWAL DISTRICT

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.

Legacy Crossing Fast Facts

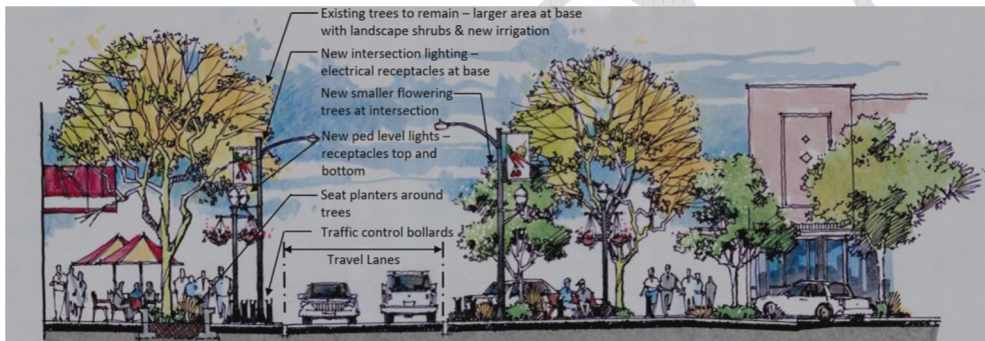
- Established: 2008
- 169 Acres
- Base Value: \$47.76 Million
- 2023 Value: \$136.8 Million
- Closure Date: 2032

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.



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

DRAFT

Legal Notice

DRAFT

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	<u>\$ 562,535</u>	<u>\$ 0</u>	<u>(562,535)</u>
GENERAL REVENUES			
Property taxes levied for general purposes			841,139
Investment income			114,194
Total general revenues			<u>955,333</u>
Change in net position			392,798
NET POSITION, beginning of year			<u>2,778,761</u>
NET POSITION, end of year			<u>\$ 3,171,559</u>

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

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

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	93,802	114,194	20,392
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	166,336	64,930	101,406
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(72,534)	49,264	121,798
OTHER FINANCING SOURCES (USES)			
Operating transfers	70,984	64,928	(6,056)
Total other financing sources (uses)	70,984	64,928	(6,056)
Net change in fund balances	\$ (1,550)	114,192	115,742
FUND BALANCES BEGINNING OF YEAR		102,312	102,312
FUND BALANCES END OF YEAR		\$ 216,504	\$ 218,054

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>