



Meeting Agenda: Thursday, January 17, 2019, 7:00 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 any member of the Board and that item will be considered separately later.
 - A. Minutes from December 20th, 2018
 - B. December 2018 Financials and Payables

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

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

3. **Election of Officers for 2019 (A) – Chairperson McGeehan**

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

ACTION: Elect and appoint the 2019 officers for the positions of Chairperson, Vice Chairperson and Secretary.

4. **Amendment to the Schedule of Performance for the Needham Exclusive Negotiation Agreement (A) – Bill Belknap**

On July 19th, 2018 the Board approved an Exclusive Negotiation Agreement (ENA) with Shane and Janet Needham for the disposition and development of Lots 2 and 3, Block 1, Alturas Business Park Phase II. On September 6th, the Board approved Mr. Needham's request to amend the schedule of performance under the ENA, extending the date for submission of his development plans from November 15, 2018 to January 15, 2019. On December 26, 2018, Staff received an additional extension request from Mr. Needham, requesting the extension of that date to April 15, 2019 due to unavailability of local design professionals and required facility design research. The proposed Second Amended ENA is attached for the Board's review and approval.

ACTION: Approve the proposed Second Amended ENA and associated schedule of performance; or take such other action deemed appropriate.

5. Sixth and Jackson Request for Proposal Report and Discussion (A) – Bill Belknap

On September 8, 2018 the Agency published a request for proposals for the disposition and development of the portions of the Sixth and Jackson property that would remain after the development of Hello Walk. Three proposals were received by the submission deadline of December 21, 2018. Staff will provide an overview of the anticipated review and selection process for the Board's discussion and direction, which is anticipated to include proposal presentations at the Board's February 7th meeting and final selection at the Board's February 21st meeting.

ACTION: Receive report and provide Staff with direction; or take other action as deemed appropriate.

6. Strategic Plan Update Review (A) - Bill Belknap

In 2017 the Board adopted the current strategic plan intended to establish goals and objectives to guide and direct the activities of the Agency. It was anticipated that the plan would be updated on a biennial basis. Staff began the discussion regarding the 2019 plan update with the Board at the December 20th meeting and will continue the discussion with a review of the draft capital improvement plan.

ACTION: Discuss the anticipated 2019 Strategic Plan update and provide Staff with direction as deemed appropriate.

7. General Agency Updates – Bill Belknap

- Legacy Crossing District
- Alturas District
- General Agency Business



Meeting Minutes: December 20, 2018, 7:00 a.m.

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

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

Sullivan called the meeting to order at 7:00 a.m. and announced that Item #6 would be deferred to a future meeting.

- 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 November 15, 2018

B. November 2018 Financials and Payables

McGraw moved approval, seconded by Smith. Motion carried.

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

Victoria Seever, 121 N Lilly, reiterated her opposition to student apartment units on the 6th & Jackson property.

Garrett Thompson, 1024 Pine Crest Rd, wished the Board members happy holidays and strongly urged them to think about the word "collaboration" in the upcoming year.

- 3. FY2018 Year End Financial Report – Brittany Gunderson**

The Treasurer will provide a preliminary year-end financial report for the recently concluded 2018 fiscal year. ACTION: Receive report.

Gunderson reported the FY18 audit is underway but the audited financial statements aren't expected for a couple months so she provided a broad overview. (Attached) Favorable variances were seen in general fund expenditures and revenue. The unexpected overage in professional services expense for the Legacy Crossing Fund was largely from the floodplain study. From the audience, Thompson suggested increasing the Legacy Crossing advertising budget and recommended ads in the regional airline magazine or something similar to attract outside investors. Sullivan asked if Palouse Commercial would be providing a report on their efforts to market 6th & Jackson. Belknap said the lot has been marketed broadly and all the contacts he was aware of have said the parcel is too small for their purposes. He pointed out that since the Agency doesn't own anything within Legacy besides that parcel and no other parcels within the District are on the market, he didn't see anything the Agency could propose as development opportunity. He agreed that promotion of the region is a good idea and offered to explore coordination with the City, Chamber, PEP, University, et al. McGraw said if it becomes obvious that no private party is ever going to be able to develop the parcel, is there a point when the Agency should shift gears with that parcel. Belknap stated there are any number of public projects that could be done there, but said he knows of three entities planning to submit in response to the current RFP which closes tomorrow at 5pm. Drown continues to believe there are creative options out there.

4. Alturas Lot Sale RFP Report – Bill Belknap

Staff will provide a report on the current Alturas lot sale RFP process.

ACTION: Received report.

Belknap reminded the Board that two of the six lots are currently under an ENA with Shane and Janet Needham, and that since the last meeting he had received an inquiry about the remaining four lots. Another RFP was issued with a submission deadline of January 11, 2019, after which Belknap will report back to the Agency.

5. Strategic Plan Update Review (A) - Bill Belknap

In 2017 the Board adopted the current strategic plan intended to establish goals and objectives and guide and direct the activities of the Agency. It was anticipated that the plan would be updated on a biennial basis. Staff would like to begin the discussion regarding the 2019 plan update with the Board.

ACTION: Discuss the anticipated 2019 Strategic Plan update and provide Staff with direction as deemed appropriate.

Belknap reported the goals adopted in 2017 are all either complete or ongoing, with the exception of a new South Moscow district which is currently in progress awaiting the right time for further action. Belknap presented the following suggested two-year objectives and actions/strategies:

General Agency

Objectives:

- Ensure public access to information related to the activities of the Agency to promote transparency and public awareness
- Conduct biennial joint meetings with partner entities to increase communication, cooperation and coordination
- Continue to explore the creation of a new urban renewal district to assist with the City's desire to facilitate future industrial development in South Moscow

Actions/Strategies:

- Maintain the Agency's website to provide current and accurate information regarding Agency activities and community investment
- Maintain the electronic records center repository for all Agency records to provide public access and transparency of Agency activities
- Maintain the Agency's five-year strategic and capital improvement plan to organize Agency activities, document Agency public investments, and communicate them to the public
- Conduct a joint meeting with the Moscow City Council by August 31, 2021

Legacy Crossing

Objectives:

- Complete the disposition and development of the Sixth and Jackson property
- Support the continued redevelopment of brownfield sites within the District
- Assist in the development of a plan for the repair and replacement of the deteriorating infrastructure on Main Street

Actions/Strategies:

- Complete the exclusive negotiation process and execute a Disposition and Development Agreement of the Sixth and Jackson property by July 1, 2019
- Identify and inventory public infrastructure improvements intended to support the redevelopment of brownfield sites by August 1, 2019
- Assist with the development of a streetscape improvement plan for Main Street in the downtown area by June 1, 2020

Alturas

Objectives:

- Maintain real estate marketing and listing services to market and promote the sale of Alturas Lots
- Collaborate with regional and state economic development organizations to identify and promote development opportunities for Alturas Technology Park

Actions/Strategies:

- Complete an assessment of the current Phase II private restrictive covenants and restrictions with existing Phase II property owners to identify opportunities to expand appropriate allowable uses by October 1, 2019
- Collaborate with the newly formed Partnership for Economic Prosperity (PEP) economic development organization to develop a strategy to market and recruit appropriate businesses to Alturas Technology Park by July 1, 2019

Belknap suggested a discussion of updates to the capital improvement plan should come next. Sullivan and Drown both commented on the importance of doing something to bring all the partner agencies together to discuss the "big picture."

6. South District Development Review (A) – Bill Belknap

The establishment of a new South Moscow Urban Renewal District has been identified as a priority project by both the Moscow City Council and the Board. Staff will provide an overview of the district development steps and anticipated schedule to complete the formation process.

ACTION: Receive report and provide direction as deemed appropriate.

Item deferred.

7. Upcoming January Meeting Schedule (A) – Bill Belknap

The first regularly scheduled meeting of the Agency falls on January 3rd next year. That meeting date is very close to the New Year's Holiday period and therefore staff is recommending that the Board cancel the January 3rd meeting. The next regularly scheduled meeting date would be on January 17th.

ACTION: Approve the cancellation of the January 3, 2019 meeting; or take other action as deemed appropriate.

Board members concurred.

8. General Agency Updates – Bill Belknap

- Legacy Crossing
 - Continuing discussions with Noel Blum regarding the Dumas site frontage, roadway surfaces, and pedestrian easement to Otness Park.
 - Working with Idaho Central Credit Union and the utility companies regarding improvements near the former Nissan dealership building.

- General Agency Business
 - Belknap reported on upcoming construction at the former Jack in the Box site, which will leave an additional lot facing A Street open for future development.
 - Drown asked for an update on the Opportunity Zone census tracts and what that designation does for Moscow. Belknap reviewed the geographic areas selected and explained the tax savings/deferral available to private developers. He added that the same census tracts are also eligible for New Market Tax Credits. Belknap said the guidelines are still being developed at the federal level but the City has begun receiving inquiries from multiple developers.

The meeting adjourned at 8:06 AM.

Steve McGeehan, Agency Chair

Date



Balance Sheet
December 31, 2018

	Total Funds
ASSETS	
Cash	4,470
Investments - LGIP	359,645
Investments-Zions Debt Reserve	44,437
Other Assets	5,260
Land Held For Resale	531,256
Land	679,420
Total Assets	1,624,488
LIABILITIES	
Deposits Payable	5,000
Series 2010 Bond - due within one year	29,000
Latah County payback agreement - due within one year	3,500
Series 2010 Bond - due after one year	290,000
Latah County payback agreement - due after one year	98,037
Total Liabilities	425,537
FUND BALANCES	
Net Investment in Capital Assets	376,732
Restricted Fund Balance	44,312
Unrestricted Fund Balance	757,939
Total Fund Balance	1,178,983
Retained Earnings:	19,968
Total Fund Balance and Retained Earnings:	1,198,951
Total Liabilities, Fund Balance and Retained Earnings:	\$1,624,488

December-18
Checks by Date



Check Number	Vendor	Description	Check Date	Check Amount
4601	UAVISTA	Avista	12/13/2018	
	Nov2018	6th & Jackson Service (November 2018)		13.39
Total for Check Number 4601:				<u>13.39</u>
4602	UCITYMOS	City of Moscow	12/13/2018	
	Dec2018	City admin. services (December 2018)		4,097.75
	Nov2018	City utilities (November 2018)		214.90
Total for Check Number 4602:				<u>4,312.65</u>

Total bills for December 2018: \$ 4,326.04

December-18
Accounts Payable Checks for Approval



Check	Check Date	Fund Name	Vendor	Void	Amount
4601	12/13/2018	Moscow Urban Renewal Agency	Avista	-	13.39
4602	12/13/2018	Moscow Urban Renewal Agency	City of Moscow	-	4,097.75
4602	12/13/2018	Moscow Urban Renewal Agency	City of Moscow	-	214.90
Report Total:				\$ -	4,326.04

Steve McGeehan, Chairperson

Bill Belknap, Executive Director

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.

Brittany Gunderson, Treasurer

General Ledger
Revenue Analysis

December 2018



Account Number	Description	Budgeted Revenue	Period Revenue	YTD Revenue	Variance	Uncollected Bal	% Avail/Uncollec	% Received
890	Moscow Urban Renewal Agency							
890-000-00-410-01	Property Taxes - Legacy	\$ 325,000.00	\$ 30,243.21	\$ 33,888.84	\$ 291,111.16	\$ 291,111.16	89.57%	10.43%
890-000-00-431-11	EPA Clean-up Grant - Legacy	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
890-000-00-471-00	Investment Earnings	\$ 1,500.00	\$ 632.41	\$ 1,293.97	\$ 206.03	\$ 206.03	13.74%	86.26%
890-000-00-478-10	Sale of Land - Alturas	\$ 135,210.00	\$ -	\$ -	\$ 135,210.00	\$ 135,210.00	100.00%	0.00%
890-000-00-478-11	Sale of Land - Legacy	\$ 150,000.00	\$ -	\$ -	\$ 150,000.00	\$ 150,000.00	100.00%	0.00%
890	Moscow Urban Renewal Agency	\$ 611,710.00	\$ 30,875.62	\$ 35,182.81	\$ 576,527.19	\$ 576,527.19	94.25%	5.75%
Revenue Total		\$ 611,710.00	\$ 30,875.62	\$ 35,182.81	\$ 576,527.19	\$ 576,527.19	94.25%	5.75%

General Ledger

Expense vs. Budget

December-18



Sort Level	Description	Budget	Period Amt	End Bal	Variance	Avail/Uncollect	% Expend/Collect
880	URA - General Agency						
890-880-10-642-00	Administrative Services	\$ 49,173.00	\$ 4,097.75	\$ 12,293.25	\$ 36,879.75	\$ 36,879.75	25.00%
890-880-10-642-10	Professional Services-Exec Dir	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-880-10-642-15	Professional Services-Other	\$ 6,000.00	\$ -	\$ 850.00	\$ 5,150.00	\$ 5,150.00	14.17%
890-880-10-642-20	Professional Services-Auditing	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	0.00%
890-880-10-642-30	Professional Services-Computer	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0.00%
890-880-10-644-10	Marketing Expense-General	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0.00%
890-880-10-644-16	Land Sale Expenses	\$ 10,210.00	\$ -	\$ -	\$ 10,210.00	\$ 10,210.00	0.00%
890-880-10-668-10	Liability Insurance-General	\$ 1,700.00	\$ -	\$ 1,582.00	\$ 118.00	\$ 118.00	93.06%
E02	Contractual	\$ 74,083.00	\$ 4,097.75	\$ 14,725.25	\$ 59,357.75	\$ 59,357.75	19.88%
890-880-10-631-10	Postage Expense	\$ 100.00	\$ -	\$ -	\$ 100.00	\$ 100.00	0.00%
890-880-10-631-20	Printing and Binding	\$ 400.00	\$ -	\$ -	\$ 400.00	\$ 400.00	0.00%
890-880-10-644-15	Alturas Marketing/Maintenance	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00	\$ 3,500.00	0.00%
890-880-10-647-10	Travel & Meetings-General	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0.00%
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	\$ -	\$ 32.92	\$ 467.08	\$ 467.08	6.58%
890-880-10-669-11	Dist. of Net Prop. Sale Procee	\$ 125,000.00	\$ -	\$ -	\$ 125,000.00	\$ 125,000.00	0.00%
E03	Commodities	\$ 131,500.00	\$ -	\$ 32.92	\$ 131,467.08	\$ 131,467.08	0.03%
880	URA - General Agency	\$ 205,583.00	\$ 4,097.75	\$ 14,758.17	\$ 190,824.83	\$ 190,824.83	7.18%
895	URA - Legacy District						
890-895-10-642-10	Professional Services-Legacy	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	0.00%
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	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	0.00%

Sort Level	Description	Budget	Period Amt	End Bal	Variance	Avail/Uncollect	% Expend/Collect
E02	Contractual	\$ 36,000.00	\$ -	\$ -	\$ 36,000.00	\$ 36,000.00	0.00%
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	\$ 1,800.00	\$ 228.29	\$ 456.58	\$ 1,343.42	\$ 1,571.71	25.37%
890-895-10-658-51	Development Participation	\$ 215,000.00	\$ -	\$ -	\$ 215,000.00	\$ 215,000.00	0.00%
890-895-10-669-10	Misc. Expense-Legacy	\$ 500.00	\$ -	\$ -	\$ 500.00	\$ 500.00	0.00%
890-895-10-675-00	Fiscal Agent Trustee fees	\$ 1,800.00	\$ -	\$ -	\$ 1,800.00	\$ 1,800.00	0.00%
890-895-10-676-15	Latah County Reimb. Agreement	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00	\$ 3,500.00	0.00%
890-895-10-676-17	Owner Participation Agreements	\$ 86,367.00	\$ -	\$ -	\$ 86,367.00	\$ 86,367.00	0.00%
E03	Commodities	\$ 309,967.00	\$ 228.29	\$ 456.58	\$ 309,510.42	\$ 309,738.71	15.00%
890-895-10-770-35	1% Public Art	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-895-10-770-71	Land-Legacy	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-895-10-770-73	Improvements-Legacy	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-895-10-770-97	Infrastructure Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
E04	Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
890-895-10-890-00	Transfer To: General Fund	\$ 58,950.00	\$ -	\$ -	\$ 58,950.00	\$ 58,950.00	0.00%
890-895-10-890-01	Transfer To: Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
E10	Transfers To	\$ 58,950.00	\$ -	\$ -	\$ 58,950.00	\$ 58,950.00	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	\$ 419,917.00	\$ 228.29	\$ 456.58	\$ 419,460.42	\$ 419,460.42	11.00%
899	Dept						
890-899-12-790-01	Bond Principal - Legacy	\$ 319,000.00	\$ -	\$ -	\$ 319,000.00	\$ 319,000.00	0.00%
890-899-12-791-01	Bond Interest - Legacy	\$ 14,590.00	\$ -	\$ -	\$ 14,590.00	\$ 14,590.00	0.00%
E05	Debt Service	\$ 333,590.00	\$ -	\$ -	\$ 333,590.00	\$ 333,590.00	0.00%
890-899-10-990-00	Ending Fund Bal Unassigned	\$ 25,290.00	\$ -	\$ -	\$ 25,290.00	\$ 25,290.00	0.00%
890-899-10-990-01	Ending Fund Balance Alturas	\$ 22,926.00	\$ -	\$ -	\$ 22,926.00	\$ 22,926.00	0.00%

Sort Level	Description	Budget	Period Amt	End Bal	Variance	Avail/Uncollect	% Expend/Collect
890-899-12-990-00	End Fund Bal Assigned-Legacy	\$ 17,136.00	\$ -	\$ -	\$ 17,136.00	\$ 17,136.00	0.00%
890-899-12-990-01	End Fund Bal Res-Legacy	\$ 5,260.00	\$ -	\$ -	\$ 5,260.00	\$ 5,260.00	0.00%
E95	Ending Fund Balance	\$ 70,612.00	\$ -	\$ -	\$ 70,612.00	\$ 70,612.00	0.00%
899	Dept	\$ 404,202.00	\$ -	\$ -	\$ 404,202.00	\$ 404,202.00	0.00%
890	Moscow Urban Renewal Agency	\$ 1,029,702.00	\$ 4,326.04	\$ 15,214.75	\$ 1,014,487.25	\$ 1,014,487.25	1.48%

Volk Law, PLLC
Peter Volk, attorney
P.O. Box 9264
Moscow, Idaho 83843
(208) 882-5982

December 26, 2018

Bill Belknap
221 E 2nd Street
Moscow, ID 83843

Delivered by e-mail to: bbelknap@ci.moscow.id.us

Subject: Exclusive Negotiation Agreement ("ENA") Moscow URA and Needham

Dear Bill,

Shane and Janet are moving forward with the project. They have visited several labs to get ideas on the building and are doing due diligence. The project is getting exciting; with the architects, vendors and a whole design team involved at this point. This is going to be a fabulous building but they need to get this project right so the business can continue to grow and expand in Moscow.

In an effort to build the best possible building, I talked with my client, Shane Needham, and he and Janet need to have all the dates in the ENA slid back to April 15, 2019. (submission of development plan, draft DDA and DDA consideration).

This should provide time to get the design done correctly. Shane is not only doing a design of his own needs in his current understanding of a good working lab space (obviously using engineers but his ideas for a lab vision) but he is travelling and viewing other labs to see how various designs work in application.

It is taking longer then anticipated, both on his end for visits and his engineers back log of work. In the end, the goal is that he wants the building done correctly the first time.

Please consider this a second formal request to amend the ENA to provide for this additional time. Please call or write with any questions you may have or if you need any third party verification of the efforts that Shane and Janet are making.

Best wishes,



Peter Volk, attorney



SECOND AMENDED EXCLUSIVE NEGOTIATION AGREEMENT

between

Moscow Urban Renewal Agency

and

Shane and Janet Needham

For the development of:

For the development of
Block 1, Lots 2 & 3

Alturas Technology Park, Phase II

_____, 2019

FIRST AMENDED EXCLUSIVE NEGOTIATION AGREEMENT

This FIRST AMENDED EXCLUSIVE NEGOTIATION AGREEMENT (hereinafter “Agreement” or “ENA”) is entered into this _____ day of _____, 2019, by and between the MOSCOW URBAN RENEWAL AGENCY of the City of Moscow, Idaho, a 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 Local Economic Development Act of 1988 as amended (hereinafter the “Act”), and Shane and Janet Needham, or its assigns (hereinafter “Developer”), collectively referred to as the “Parties” and each individually as “Party,” on the terms and provisions set forth below.

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 of Moscow, Idaho adopted its Ordinance No. 2005-18 on June 20, 2005, approving the Second Amended and Restated City of Moscow, Idaho Research and Technology Urban Renewal/Competitively Disadvantaged Border Community Area Plan 2005 (hereinafter the “Plan”), which includes the plans to sell lots located in the Project Area for development of Phase II of the Research and Technology Business Park and the plat for Alturas Technology Park, Phase II of the City of Moscow, Latah County, Idaho (hereinafter the “Project Area”); and

WHEREAS, Agency currently owns Lots 2 & 3, Block 1 of the Alturas Technology Park Phase II Addition to the City of Moscow, (hereinafter the “Lots”) which is within the Project Area;

WHEREAS, Agency has published a Request for Proposals for Redevelopment of the Lots in conformance with the Law and the Act (hereinafter the “Request for Proposals”); and

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

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

AGREEMENT

1. NEGOTIATIONS.

1.1 GOOD-FAITH NEGOTIATIONS. Agency and Developer agree for the Negotiation Period set forth below to negotiate diligently and in good faith to prepare a Disposition and Development Agreement (“DDA”) to be considered for execution between Agency and Developer, in the manner set forth herein, with respect to the development of the Lots. The Lots are more particularly described in Exhibit “A” attached hereto. Agency agrees for the

period set forth below not to negotiate with any other person or any other entity regarding the development or redevelopment of the Lots.

1.2 NEGOTIATION PERIOD. The duration of this Agreement (the "Negotiation Period") shall continue from the execution of this Agreement by Agency to May 15, 2019. If, upon expiration of the Negotiation Period Developer has not signed and submitted a DDA to the Agency (unless a written extension is granted by the Agency), then this Agreement shall automatically terminate. If a DDA is so signed and submitted by Developer to Agency on or before expiration of the Negotiation Period, then this Agreement and the Negotiation Period herein shall be extended without further action by Agency for a period not to exceed the earlier to occur of the expiration of sixty (60) days from the date of such submittal, during which time Agency shall take all steps legally necessary to: (1) consider the terms and conditions of the proposed DDA; (2) if appropriate, take the actions necessary to authorize Agency to enter into the DDA; and (3) execute the DDA. If Agency has not timely executed the DDA within the beforementioned time periods from the date such DDA is submitted (unless written extension is granted by the Developer), then this Agreement shall automatically terminate. The Parties agree to consider reasonable requests for extensions of time of the Negotiation Period and of the approval period for action and approval by Agency; provided, however, Agency may, at its discretion, require Developer to pay an extension fee for any such extension requested by Developer. 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 provide a 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 Lots. The deposit shall then be applied against the purchase price for the Lots as determined by the DDA.

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, 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,

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 B, Schedule of Performance, Developer shall submit to Agency Developer's specific proposed scope of development regarding the use of the Lots (hereinafter referred to as the "Project"). Upon Agency's execution of this Agreement, Developer shall begin immediately the process of preparing a development plan for the Lots ("Development Plan"). The Development Plan shall include basic concept drawings for the Project and an implementation program including scheduling. Specific parts of the Development Plan will include, but not be limited to, perspective renderings, site plan, elevations/sections, narrative description, and critical path analysis. The critical path analysis will cover the entire Lots development through completion, including occupancy. 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, this Agreement shall be terminated.

In the event at any time during the Negotiation Period the Developer determines that it is not feasible to proceed with development of the Lots, 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 Lots, 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, 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. Upon reasonable notice, as from time to time reasonably requested by Agency, Developer agrees to make progress reports advising Agency on all matters and all studies being made by Developer.

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 reuse appraisal. Such purchase price will be based upon such factors as market conditions, density of development, costs of development, risks of Agency, risks of Developer, Developer participation in the funding of public facilities and amenities, and estimated or actual Developer profit. Developer recognizes that under the Law, the purchase price cannot be less than the fair value for uses in accordance with the Plan. 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 Lots.

4. DEVELOPER'S RESPONSIBILITIES.

4.1 NATURE OF THE DEVELOPER. Developer is Shane and Janet Needham, 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 Lots, provided that Developer maintains operating control of such entities and remains fully responsible to Agency as provided in this Agreement with respect to the Lots. 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 1045 Idlers Rest Road, 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.

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 Lots.

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 of 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 only be liable for any real estate commission or brokerage fees which may arise here from in accordance with the Agency's Commercial Real Estate Services Agreement with Palouse Commercial Real Estate dated June 7, 2017. 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. This Agreement does not constitute a disposition of property or exercise of control over 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 the recovery of possession of the Lots, the recovery of attorney fees and costs incurred in the recovery of the Lots, and termination of this Agreement. Nothing stated in this section shall be deemed to have effected a release or impairment of Agency's fee title to the Lots. 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 Lots 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.

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 ____ day of _____, 2019.

AGENCY:

MOSCOW URBAN RENEWAL AGENCY
MOSCOW, IDAHO

By _____
Steve McGeehan, Chair

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF LATAH)

On this _____ day of _____, 2019, 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 he executed the foregoing document as the duly authorized representative for The Urban Renewal Agency of Moscow, Idaho.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

Dated this ____ day of _____, 2019.

DEVELOPER: Shane and Janet Needham

By _____
Shane Needham

By _____
Janet Needham

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF LATAH)

On this _____ day of _____, 2019, before me, a Notary Public in and for said State, appeared Shane Needham, known to me to be the person named above and acknowledged that he executed the foregoing document.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF LATAH)

On this _____ day of _____, 2019, before me, a Notary Public in and for said State, appeared Janet Needham, known to me to be the person named above and acknowledged that she executed the foregoing document.

Notary Public for the State of Idaho
Residing at _____
My commission expires _____

EXHIBIT A

PROPERTY DESCRIPTION

Lots 2 & 3, Block 1 of the Alturas Technology Park Phase II Addition to the City of Moscow

EXHIBIT B

SCHEDULE OF PERFORMANCE

ACTION	DATE
1. <u>Deposit</u> . The Developer shall deliver the Deposit to the Agency.	No later than July 31, 2018.
2. <u>Submission of Development Plan</u> . The Developer shall submit Development Plans to Agency for approval.	March 15, 2019.
3. <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 approval process.	April 15, 2019.
4. <u>DDA Consideration</u> . The Agency Board shall consider and approve if appropriate the DDA.	No later than May 15, 2019.