

2021 ANNUAL REPORT
URBAN RENEWAL AGENCY OF THE CITY OF McCALL, ALSO KNOW AS THE
McCALL REDEVELOPMENT AGENCY

Pursuant to Idaho Code § 50-2006(5)(c), an urban renewal agency is required to file with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include a complete financial statement setting forth its assets, liabilities, income and operating expense at the end of the calendar year. An urban renewal agency's fiscal year commences October 1 and ends September 30. Consequently, any formal financial statement would be limited to a report through the end of the Agency's fiscal year. Pursuant to Idaho Code § 67-450B, an urban renewal agency is required to prepare certain audited financial statements as described in that section depending on the agency's overall expenditures. The Agency's audit for fiscal year ending September 30, 2021, is currently underway. Idaho Code § 67-450B requires the Agency to upload the completed audit report to the Legislative Services Office within nine months after the end of the audit period, but no later than June 30 of the following year. Beginning in Fiscal Year 2022, the FY2021 audit will be submitted to the new central registry and reporting portal on the state controller's website pursuant to Idaho Code Section 67-1076.

The budgetary process, which the Agency completed on August 18, 2021, resulted in a termination budget approval that depicts actual and budgeted figures for Fiscal Years 2020, 2021 and 2022 identifying budgeted obligations and costs related to completing the E. Lake Street Waterfront & Brown Park Improvements Project and final year costs. Additionally, the Agency Board approved a budget for the Downtown West Urban Renewal Project that depicts actual and budgeted figures for Fiscal Years 2021 and 2022. A copy of the approved budgets are attached as Exhibit 1 to this report. Under reporting requirements set forth in Idaho Code § 67-1076, the Agency must submit certain information to the State controller's website by December 1 each year. The Agency will timely submit the necessary information to the registry on or before December 1, 2022. For FY2021, under prior law, the Agency had to submit certain information to the Legislative Services Office by December 1 each year. The Agency timely submitted its FY2021 budget; however, the Agency's 2020 audit is in progress, but has not been completed. The Agency is also required to submit certain information to the Idaho State Tax Commission for the urban renewal registry pursuant to Idaho Code Section 50-2913. The Agency timely submitted the necessary information.

The McCall City Council formally approved the 1990 Urban Renewal Plan for the Railroad Avenue Area on December 13, 1990, by Ordinance No. 578 (the "Lake Front Plan") establishing the revenue allocation project area (the "Lake Front Project Area"). The ordinance became effective upon publication. Since that approval, the Agency has work on implementation of the Lake Front Plan. In 2006, pursuant to Section 900 of the Lake Front Plan, the Agency prepared the 2006 Updated Urban Renewal Plan (the "Amended Lake Front Plan"). The Lake Front Project Area terminated on September 30, 2021, as formally acknowledged in City Council Ordinance No. 1007, dated September 23, 2021.

The McCall City Council formally approved the Urban Renewal Plan for the Downtown West Urban Renewal Project on October 24, 2019, by Ordinance No. 928 (the "Downtown West Plan") establishing the Downtown West Project Area. The ordinance became effective upon publication. The Agency is working on implementation of the Downtown West Project Area.

AGENCY BOARD MEMBERS, OFFICERS, CONSULTANTS AND SUPPORT STAFF

Board members for calendar year 2021 included Bob Giles, Monty Moore, Colby Nielsen, Rick Fereday, Mike Maciaszek, Tabitha Martineau, Lew Ross and Nic Swanson. Officers for the year were Rick Fereday, Chairman, and Nick Swanson, Vice-Chairman. Elam & Burke, P.A. served as legal counsel on certain matters as requested by the Agency Board and/or Agency Staff. Michelle Groenevelt, the Community and Economic Development Director for the City of McCall serves as the Agency's Administrator. Additional administrative support for the Agency is provided by Rachel Santiago-Govier who acts as the Secretary. Linda Stokes, the City Treasurer, performs treasurer duties for the Agency.

AGENCY ACTIVITIES

Lake Front Project Area

Design and Engineering for the Lake Front Improvement Plan

During 2020, the Agency began working on the design and engineering for projects to be undertaken by the Agency in support of completing the Lake Front Improvement Plan prior to termination of the Lake Front Project Area on September 30, 2021. The Agency budgeted approximately \$1.7 million to spend on projects in the final year. During 2020 and 2021, the City Council and Agency entered into several agreements addressing construction management and funding of the projects approved by the City Council and Agency Board.

E. Lake Street and Brown Park Engineering and Constructability Evaluation

The Board spent significant time working with Horrocks and City staff defining planning project areas, and working on designs and engineering for the remaining projects on E. Lake Street and Brown Park. Ultimately, the E. Lake Street and Brown Park Engineering and Constructability Evaluation was adopted by the MRA Board and City Council to inform the remaining projects in the Lake Front Project Area. This past year included design, bidding and construction for stabilizing Brown Park Shoreline and then the Park itself.

Brown Park Slope Stabilization and Park Reconstruction Project

Falvey's LLC was the low bidder and awarded the scope of work on the Brown Park Slope Stabilization project by the City Council. This work occurred in the fall of 2020 while Payette Lake was at low pool. The encroachment permit was obtained. During 2020 it was determined deeper borings were necessary to confirm what is needed to secure the platform and a geo tech study was required for construction in 2021. Additionally, during 2020, project prioritization was confirmed and the sequencing of projects was mapped out to determine what portion of the Agency's remaining Lake Front Project Area revenues are available to fund the proposed designed and engineered projects. Furthermore, the Agency in partnership with other grant and city resources provided funding for the reconstruction of Brown Park.

Transfer of MRA Parcels

MRA adopted a resolution to transfer the two MRA-owned parcels to the City of McCall. As part of the termination process, the agency divested itself of real property, specifically the parcel

at 1614 Davis and the two unaddressed properties around the area of Railroad and Pine Streets. There is a restricted covenant agreement that the parcels will be maintained for ‘public use’.

Public Art

The Agency Board committed \$100,000 for public art within the Lake Front Project Area. Pursuant to a competitive process in 2020, artist Amy Westover was selected and brought three concepts to the Agency Board for discussion and selection. Amy Westover developed three concepts for public art projects. The three ideas were titled Tree Ring, Mill Whistle and The Lake Platforms. Considerations for weather, construction, historical significance, inspiration and build technique were discussed for each. Ultimately, the Mill Whistle was selected, created and blew to commemorate the last time it blew on October 28th, 1977 at 1:55pm. An event was held at Legacy Park on October 28, 2021, to celebrate the accomplishments of the Lake Front Project Area and to test the Whistle.

Termination of the Lake Front Project Area

The MRA Board worked with Staff and the MRA Attorney to complete all the steps to terminate and close out the Lake Front Project Area. Due to construction delays primarily due to COVID-19 resulting in supply chain issues and labor shortages, the East Lake Street and Brown Park Improvement Project was not completed and carried over to FY2022. The Project is anticipated to be completed with existing revenue allocation proceeds by spring/summer 2022. Any remaining surplus funds will be returned to the County for pro-rata distribution to the affected taxing districts. The Agency is completing its scope of work and is not receiving additional revenue allocation are proceeds as the increment value became available for the overlapping taxing districts to use is setting their respective FY2022 budgets.

Downtown West Project Area

No projects were planned for the new district to allow time to acquire funding for future projects.

REVENUES

Tax Increment Revenue

The only source of Agency income is revenue allocation proceeds, also referred to as tax increment revenue, generated within the Lake Front Project Area and the Downtown West Project Area. Because of the provisions of the Local Economic Development Act, Title 50, Chapter 29, Idaho Code, and the ad valorem tax system, for the Lake Front Project Area, the Agency received \$799,276 tax increment revenue and \$3,067 interest earnings totaling \$802,243 in 2021. For the Downtown West Project Area, the Agency received \$85,589 tax increment revenue and \$0 interest earnings totaling \$85,589.

EXPENDITURES

Leverage of Agency Dollars

An integral component of the Agency’s program is to develop outside funding sources to leverage Agency dollars for improvements within each revenue allocation area. The Agency continues to

coordinate with property owners and public entities in an effort to determine redevelopment opportunities. To date the focus has been on funding public infrastructure improvements, which in turn, draws patrons to downtown McCall, with the effect of increasing the economic vitality of the community. The public improvements, which includes those made to Legacy Park, have had a significant impact on economic development.

The Agency intends to seek, review and approve funding, where appropriate, for other projects that positively impact each revenue allocation area and its residents.

OPERATING EXPENSES

The Agency's operating expenses are minimal. Those expenses are shown on Exhibit 1 to this report.

ASSETS

The Agency's Assets are comprised of cash accounts and property taxes receivable. The Agency owned parcels were transferred to the City during the fall of 2021. The major portions of property taxes are received twice per year (end of January and end of July) with smaller amounts of delinquent taxes received during the course of the year.

LIABILITIES AND DEBT

As of the fiscal year end, the Agency's liabilities consist only of current accounts payable and deferred revenue.

SIGNIFICANT CHANGES IN AGENCY'S FINANCIAL POSITION

The Agency currently operates in a "pay-as-you-go" environment, committing only those funds to projects that can be funded out of current funds or projected tax increment revenues in a given fiscal year, though the Agency continues to consider how to better leverage Agency funds.

Mike Maciaszek, Chairman

Exhibit 1
FY2021 Budgets

Account Number	Account Title	2018-19 Prior year 2 Actual	2019-20 Prior year Actual	2020-21 Current year Budget	2021-22 Adopted Budget
URBAN RENEWAL AGENCY FUND					
URBAN RENEWAL FUND REVENUE					
TAX INCREMENT REVENUE					
90-30-010-100.0	TAX INCREMENT	743,645	763,765	793,819	.00
Total TAX INCREMENT REVENUE:		743,645	763,765	793,819	.00
INTEREST REVENUE					
90-30-045-100.0	INTEREST INCOME	21,591	9,374	8,400	.00
Total INTEREST REVENUE:		21,591	9,374	8,400	.00
APPROPRIATED FUND BALANCE					
90-30-050-997.0	APPROPRIATED FUND BALANCE	.00	.00	1,215,162	70,754
Total APPROPRIATED FUND BALANCE:		.00	.00	1,215,162	70,754
CARRY FORWARD REVENUE					
90-30-055-998.0	CARRY FORWARD	.00	.00	.00	.00
Total CARRY FORWARD REVENUE:		.00	.00	.00	.00
Source: 060					
90-30-060-983.0	TRANSFER FROM CAPITAL PRJ.	.00	53,498	.00	.00
Total Source: 060:		.00	53,498	.00	.00
OTHER REVENUE					
90-30-070-900.0	MISCELLANEOUS REVENUE	.00	.00	.00	.00
90-30-070-990.0	CASH OVER\ (SHORT)	.00	.00	.00	.00
Total OTHER REVENUE:		.00	.00	.00	.00
Total URBAN RENEWAL FUND REVENUE:		765,236	826,638	2,017,381	70,754

Account Number	Account Title	2018-19 Prior year 2 Actual	2019-20 Prior year Actual	2020-21 Current year Budget	2021-22 Adopted Budget
URBAN RENEWAL AGENCY EXPENSES					
OPERATING EXPENSE					
90-40-150-300.0	PROFESSIONAL SERVICES	30,735	22,754	51,250	.00
Budget notes:					
~2021 \$1,250 Redevelopment Association Dues and \$50,000 Elam & Burke district closeout legal fees					
90-40-150-350.0	ENGINEER SERVICES	.00	.00	100,000	.00
Budget notes:					
~2021 Horrock's Engineering					
90-40-150-410.0	INSURANCE	1,349	1,443	1,546	.00
90-40-150-657.0	BANK CHARGES	2,828	1,390	1,625	.00
Total OPERATING EXPENSE:		34,912	25,586	154,421	.00
CAPITAL EXPENSE					
90-40-200-700.0	DT PUBLIC ART	.00	.00	90,000	.00
90-40-200-998.0	RESERVED - FUTURE CAPITAL	.00	.00	.00	.00
Total CAPITAL EXPENSE:		.00	.00	90,000	.00
GRANT RELATED EXPENSE					
90-40-250-700.0	GRANT - EDA CONFERENCE CENTER	.00	.00	.00	.00
Total GRANT RELATED EXPENSE:		.00	.00	.00	.00
DEBT RELATED EXPENSE					
90-40-350-500.0	REVENUE BOND PRINCIPAL	.00	.00	.00	.00
90-40-350-510.0	REVENUE BOND INTEREST	33,686	2,235	.00	.00
90-40-350-514.0	REVENUE BOND RESERVE	.00	.00	.00	.00
90-40-350-810.0	US BANK REVENUE BOND PRINCIPAL	.00	.00	.00	.00
90-40-350-811.0	US BANK REVENUE BOND INTEREST	.00	.00	.00	.00
90-40-350-985.0	AMORTIZATION EXPENSE	.00	.00	.00	.00
Total DEBT RELATED EXPENSE:		33,686	2,235	.00	.00
INTER-FUND TRANSFER EXPENSE					
90-40-600-970.0	DONATED ASSETS - CITY	.00	.00	.00	.00
90-40-600-971.0	FUND TRF-COMMERCIAL WATERFRONT	9,203	189,616	1,772,960	70,754
Total INTER-FUND TRANSFER EXPENSE:		9,203	189,616	1,772,960	70,754
Classification: 650					
90-40-650-980.0	DEPRECIATION EXPENSE	331,860	331,860	.00	.00
Total Classification: 650:		331,860	331,860	.00	.00
Total URBAN RENEWAL AGENCY EXPENSES:		409,661	549,297	2,017,381	70,754
URBAN RENEWAL AGENCY FUND Revenue Total:		765,236	826,638	2,017,381	70,754
URBAN RENEWAL AGENCY FUND Expenditure Total:		409,661	549,297	2,017,381	70,754
Net Total URBAN RENEWAL AGENCY FUND:		355,575	277,341	.00	.00

Account Number	Account Title	2018-19 Prior year 2 Actual	2019-20 Prior year Actual	2020-21 Current year Budget	2021-22 Adopted Budget
DT W URBAN RENEWAL PRJ.					
DT W URBAN RENEWAL PRJ REVENUE					
TAX INCREMENT REVENUE					
91-30-010-100.0	TAX INCREMENT	.00	.00	84,664	100,500
Total TAX INCREMENT REVENUE:		.00	.00	84,664	100,500
INTEREST REVENUE					
91-30-045-100.0	INTEREST INCOME	.00	.00	1,000	1,000
Total INTEREST REVENUE:		.00	.00	1,000	1,000
APPROPRIATED FUND BALANCE					
91-30-050-997.0	APPROPRIATED FUND BALANCE	.00	.00	.00	.00
Total APPROPRIATED FUND BALANCE:		.00	.00	.00	.00
OTHER REVENUE					
91-30-070-900.0	MISCELLANEOUS REVENUE	.00	.00	.00	.00
Total OTHER REVENUE:		.00	.00	.00	.00
Total DT W URBAN RENEWAL PRJ REVENUE:		.00	.00	85,664	101,500

Account Number	Account Title	2018-19 Prior year 2 Actual	2019-20 Prior year Actual	2020-21 Current year Budget	2021-22 Adopted Budget
DT W URBAN RENEWAL PRJ EXPNSES					
OPERATING EXPENSE					
91-40-150-300.0	PROFESSIONAL SERVICES	.00	.00	20,000	20,000
91-40-150-410.0	INSURANCE	.00	.00	.00	1,673
91-40-150-657.0	BANK CHARGES	.00	.00	.00	.00
Total OPERATING EXPENSE:		.00	.00	20,000	21,673
CAPITAL EXPENSE					
91-40-200-998.0	RESERVED - FUTURE CAPITAL	.00	.00	65,664	79,827
Total CAPITAL EXPENSE:		.00	.00	65,664	79,827
Total DT W URBAN RENEWAL PRJ EXPNSES:		.00	.00	85,664	101,500
DT W URBAN RENEWAL PRJ. Revenue Total:		.00	.00	85,664	101,500
DT W URBAN RENEWAL PRJ. Expenditure Total:		.00	.00	85,664	101,500
Net Total DT W URBAN RENEWAL PRJ.:		.00	.00	.00	.00
Net Grand Totals:		355,575	277,341	.00	.00