

2022 ANNUAL REPORT
URBAN RENEWAL AGENCY OF THE CITY OF McCALL, ALSO KNOWN 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 and the Idaho State Controller, on or before March 31 of each year, a report of its activities for the preceding calendar year, which shall include certain financial information, specifically the fiscal year 2021 audit and the fiscal year 2022 budget. An urban renewal agency's fiscal year commences October 1 and ends September 30.

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 authorized an audit of its financial statements for fiscal year ending September 30, 2021, which audit was completed and received by the Agency in 2022. A copy of the Agency's 2021 audited financial statements are attached hereto as **Exhibit 1**. The fiscal year 2021 audit was uploaded to the Local Government Registry administered by the Idaho State Controller's Office prior to December 1, 2022, as required by Idaho Code Section 67-1076. The fiscal year 2022 audit is underway and is anticipated to be completed in or around March 2023.

The fiscal year budgetary process, which the Agency completed on August 17, 2021, resulted in a termination budget approval for the original 1990 Railroad Avenue Project Area 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 2**. The fiscal year 2023 budget was adopted on August 16, 2022. The fiscal year 2022 budget was uploaded to the Local Government Registry administered by the Idaho State Controller's Office prior to December 1, 2022, as required by Idaho Code Section 67-1076. The Agency was determined by the Idaho State Controller's Office to be in compliance with the Local Government Registry reporting requirements for 2022. 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 worked 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 2022 included Monty Moore, Colby Nielsen, Mike Maciaszek, Tabitha Martineau, Lew Ross, Clair Bowman and Michelle Rentzsch.. Officers for the year were Mike Maciaszek, Chairman, and Tabitha Martineau, 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

During 2022, the Agency completed the final projects related to the Lake Street – Waterfront Improvement Project and the Brown Park Stabilization and Park Reconstruction Project. Project completion had been delayed due to weather, supply chain and labor shortage issues.

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 1990 Railroad Avenue 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 was completed with existing revenue allocation proceeds by Summer 2022. There were no remaining surplus funds to be returned to the County for distribution to the affected taxing districts. The Agency completed its scope of work and did not receive additional revenue allocation area proceeds as the increment value became available for the overlapping taxing districts to use in 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 in FY2022 is revenue allocation proceeds, also referred to as tax increment revenue, generated within 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 Downtown West Project Area, the Agency received \$164,423.73, tax increment revenue and \$1,129.04 interest earnings totaling \$165,552.77.

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 the revenue allocation area. The Agency continues to coordinate with property owners and public entities in an effort to determine redevelopment opportunities.

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 2 to this report.

ASSETS

The Agency's Assets are comprised of cash accounts and property taxes receivable. 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 Audit

**Exhibit 2 FY2022
Budget**