







EAGLE URBAN RENEWAL AGENCY

2024 ANNUAL REPORT

EAGLE URBAN RENEWAL AGENCY

ABOUT THE EAGLE URBAN RENEWAL AGENCY

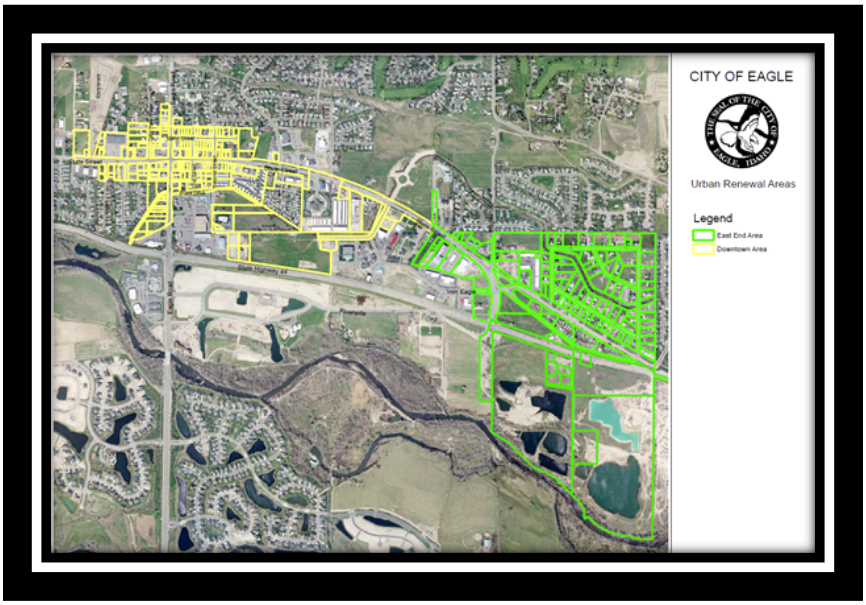
The Eagle Urban Renewal Agency (EURA) is the urban renewal agency of the City of Eagle, Idaho. The EURA is the independent public redevelopment agency created in 2006 by the Eagle City Council to promote community and economic development. The EURA operates under Idaho Code in accordance with Idaho Urban Renewal Law and the Local Economic Development Act. The Agency's purpose is to undertake the rehabilitation, conservation, development, or redevelopment of areas identified within the Eagle Urban Renewal Specific Plan.

In Eagle, the EURA uses redevelopment to address sites within the district boundaries that have deteriorated, are underutilized or vacant, and need assistance to become viable again. To accomplish urban renewal, the EURA forms partnerships with private entities and uses tax increment financing (TIF), a tool available only to redevelopment agencies, to breathe new life into those areas. As a result, the entire community benefits from the creation of new businesses, jobs, and tax revenues.

Urban renewal enables communities such as Eagle to grow inward, not just outward. It enhances and expands opportunities for local businesses to grow and be successful, to renovate buildings, and to improve public infrastructure systems and facilities. Urban renewal also helps encourage new housing and businesses to locate within already developed areas. Lastly, urban renewal helps reduce crime and long commutes, promotes affordable housing, and preserves the environment.

EAGLE URBAN RENEWAL DISTRICT PLANNING AREAS

The Eagle Urban Renewal Specific Plan has two sub-areas: The Downtown sub-area and the East End sub-area.



AGENCY MISSION

The mission of the Agency is to promote sustainable economic growth, vitality, and community enhancement through collaboration and community investment, and to encourage revitalization and rehabilitation throughout the urban renewal district. To accomplish its mission, the EURA works in close partnership with the City of Eagle and a variety of public entities as well as downtown and neighborhood groups.

MAJOR PLAN OBJECTIVES

The Eagle Urban Renewal Specific Plan has several major objectives:

- The elimination of environmental deficiencies in the Project Area, including, obsolete and aged building types, inadequate public improvements and facilities, and environmental remediation.
- The assembly of land into parcels suitable for modern, integrated development with appropriate setbacks, parking, and pedestrian and vehicular circulation in the Project Area.

- The replanning, redesign, and development/redevelopment of undeveloped and underdeveloped areas which are stagnant or ineffectually utilized.
- The strengthening of the economic base of the Project Area and the community by the installation of needed public improvements, infrastructure, and facilities to stimulate new commercial expansion, employment, and economic growth.
- The establishment and implementation of performance criteria to assure design standards, environmental quality, and other design elements provide unity and integrity to the entire Project Area.
- The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and the Project Area as a whole, and benefiting the various taxing districts in which the Project Area is located.
- The creating of public spaces, gateway entries, public art, and similar types of projects.
- The provision of civic buildings or community facilities owned or occupied by other public entities including the City of Eagle.
- The provision of adequate land for open space and street rights-of-way.
- The construction and improvement of major street corridors to allow traffic flows to move efficiently along with the accompanying utility connections through the Project Area; and
- To fund the necessary public infrastructure to accommodate both public and private development.

2024 EURA AGENCY LEADERSHIP, MEMBERS, COMMITTEES, CONSULTANTS, AND SUPPORT STAFF

EURA LEADERSHIP:

- Craig Kvamme, Chairman, January through February 2024
- Teri Ledoux, Chairwoman, March through August 2024
- Jerry Brakebill, Chairman, August through December 2024
- Ian Burnett Vice-Chairman, January through October 2024
- Craig Kvamme, Vice-Chairman, November and December 2024
- Teri Ledoux, Treasurer, January through February 2024
- Jerry Brakebill, Treasurer, March through October 2024
- Dale “Mac” McOmber, Treasurer, November and December 2024
- Ashley Ford-Squyres, Secretary/Executive Director

EURA BOARD MEMBERS:

- Francie Agrusa, Seat 7, Term Expires in January 2026
- Jerry Brakebill, Seat 2, Term Expires in August 2026
- Ian Burnett, Seat 6, Term Ended in November 2024
- Mark Butler, Seat 3, Term Expires in February 2027
- Thomas Dietrich, joined the Board in November 2024, Seat 6, Term Expires in November 2027
- Michael Hope, Seat 5, joined the Board in August 2024, Term Expires in August 2026
- Craig Kvamme, Seat 1, Term Ended in December 2024
- Teri Ledoux, Seat 5, Term Ended in August 2024
- Mac McOmber, Seat 4, Term Expires in August 2025

EURA COMMITTEES:

At the end of 2024, the EURA had four active committees:

- EURA Executive Committee
- Request for Proposal (RFP) Review Committee
- Downtown Parking and Transportation Committee
- Projects Committee

EURA CONSULTANTS AND SUPPORT:

- Executive Director: Ashley Ford-Squyres, AF Public Solutions, LLC
- Legal Counsel: Todd Lakey, Lakey-Villegas Law Office
- Accounting: Scott Klitsch and Veronica Wolfe, Clifton Larsen Allen
- Auditing: Kurt Folke, Quest CPAs, PLLC
- On-going Services as Needed: City of Eagle

2024 AGENCY PROJECT HIGHLIGHTS

Recent Key Property Acquisitions, Request for Proposals and the Future Plans of EURA-Owned Properties:

- **EAGLE GATEWAY PROJECT:**

  Project Background: After completion of the purchase of 51 East State Street in 2022, the EURA board directed EURA staff to create a Request for Proposal (RFP) for the two EURA-owned properties – 51 and 67 East State Street.

  67 East State Street was previously purchased in 2020 for $220,000 and 51 East State Street was purchased for $390,000.

In April 2022, the EURA sought development proposals *"to create a redevelopment project that will promote further economic development and vitality in the downtown area for the benefit of the subject property and the other properties and businesses located in downtown Eagle."*

Development proposals were instructed to meet the goals of Downtown Eagle which included, but weren't limited, to the following:

- Establish a distinctive, a well-maintained, and a well-branded downtown.
- Create a well-organized multi-use community that promotes the live, work, play, and recreate lifestyle.
- Promote and support a strong and vibrant business community.
- Promote and develop a unique downtown that supports pedestrian, bicycle, and transit connectivity.

In May 2022, the EURA held a pre-proposal conference meeting with interested parties to discuss the RFP and explain the vision of the EURA. In July, one proposal was submitted by the Eagle-based developer Pacific Companies and an interview was conducted by the board in August.

The Pacific Companies proposal was a three-story mixed-use project known as "The Gateway in Eagle". The developer proposed the following:

- 10,000sf of retail/restaurant uses on the ground floor
- 5,000sf of office on the second floor
- 1,500sf for a wine bar on the third floor and
- 17 condos on the third floor

The proposed project was sensitive to the design considerations for both the Old Towne and Four Corners design goals as outlined in the Eagle Comprehensive Plan. A few notable design considerations were included in the design:

- Corner building entries and increased corner setbacks at the intersection of State Street and Eagle Road;
- Terraced elevations incorporated into the design of the building;
- Creation of public art and the creation of open space within the public realm;
- The desire to distinguish the building from Old Towne through the development of landmark buildings as encouraged by the Four Corners standards; and
- Provides for a mix of uses with retail/commercial on the first floor and residential on the upper floors.



At the August 2022 board meeting, the Board authorized the RFP review committee to begin negotiations with the developer. In November, Pacific Companies submitted their Design Review application into the city for the Eagle Gateway project.

The overall project design was approved by the Eagle Design Review Commission on January 12, 2023 and the Eagle City Council on February 14, 2023.

On March 07, 2023, the Board approved both the Purchase and Sale Agreement for 51 and 67 East State Street and the Owner Participation Agreement (OPA) for the approved project and reimbursements.

The sale of the property occurred on March 31, 2023 to Pacific Companies in the amount of $281,390.

The OPA outlines the terms of the reimbursement agreement. Pacific Companies is eligible to receive 90-percent of the net tax increment that the project generates from 2023 through 2031 up to a maximum amount of $1,768,577.27.

Eligible reimbursement costs through the OPA include: demolition; streetscape; the pedestrian plaza; sewer, water, and drainage improvements; undergrounding of the power lines; historic streetlights; and façade enhancements on the corner of Eagle and East State Street. It should be noted that the agreement also states that the $717,129 for the façade enhancements should only be reimbursed after all other improvements have been reimbursed.

2024 Project Update:

This project was completed in December 2024 after two years of development and has been rebranded to “The Hemingway”.

The final residential design includes 16 luxury for-sale residential condos between 1,468 and 2,765 square feet, for a total of 28,009 square feet of residential. This square footage does not include a secured parking garage that deeds two parking spaces for each residential unit. Sales are expected to formally kick off in January 2025.

The final commercial design of the project includes 16,723 square feet of office, retail, and restaurant uses. The owner is finalizing negotiations with the anchor tenant - a gourmet restaurant and wine bar, which will be occupying both the 2,841-square foot easternmost restaurant and patio space along State Street, and the 1,495 square foot third floor wine bar, which also provides 1,500 square feet of outside patio area with views of the foothills.

Additionally, the owner is negotiating leases for another restaurant at the corner of Eagle and State, and with several other retail tenants for the remaining space. Businesses are expected to open in late August or early September 2025.

- **35 WEST STATE STREET:**

Project Background: During the Spring and Summer of 2022, EURA leadership began to engage in conversations with the owner of 35 West State Street. This property has long been known as the "old gas station property" located at the southwest corner of State Street and Eagle Road. The property is approximately 0.4-acres and is on the northeast corner of the block directly adjacent to Rembrandts.

In July 2022, the property owner and the EURA were able to finalize an agreement as to the purchase price and terms. In late August 2022, the EURA became the official property owner after paying $1.3M to purchase the property.

A long-held goal for the EURA is to redevelop the "Four Corners" with more urban-style, walkable developments. The goal for this specific corner is to utilize the energy that will occur with the Eagle Gateway project directly across the street and to create another iconic, mixed-use, anchor project for downtown Eagle. This specific corner has been seen as an "eye-sore" for downtown and it is the EURA's intention to activate the site through the redevelopment process.



Prior to the issuance of the RFP, the EURA conducted a number of environmental tests to ensure the property meets all of the regulatory standards as required by the Department of Environmental Quality (DEQ).

In May 2023, the Board approved the RFP for the property. The RFP was issued on May 02, 2023 and had a submittal deadline of August 02, 2023. The RFP was essentially the same in scope as outlined earlier for the Eagle Gateway project.

On August 02, 2023, one development proposal was submitted to the EURA by Pacific Companies. Throughout the fall of 2023, the RFP Committee met with the applicant to discuss questions and any concerns. The Committee ultimately decided to not to bring the proposal to the Board immediately as there were outstanding transportation issues related to the potential vacation of the right-of-way for Aikens and the potential Olde Park connection to the south. These issues would likely not be resolved until 2024. As of the end of 2023, the RFP was on hold with a likely review date with the Board in January 2024.

2024 Project Update:

Many of the outstanding unresolved issues in 2023 for the project carried forward through 2024. In addition, the City Council requested prior to the EURA making decisions on a final project for the site, that the proposed Jackson House study be completed.

The Jackson House property is south of the project site, on the south side of Aikens. The intention with the study is to determine appropriate uses for the building and the property. There are concerns as to how the study findings may impact a project at 35 West State Street. The study is expected to be completed in 2025. Once completed, it is anticipated that the EURA, in partnership with the city, would undergo a public design charrette process for the site, with the Jackson House study to assist in informing the process.

Public-Private Partnerships in 2024:

- **PARKVIEW AT HERITAGE*:***

  Project Background: In 2021, the EURA committed to reimbursing the Parkview at Heritage Project up to $100,000 for alleyway and streetscape improvements along with tree removal and a public seating area.

  It was agreed that the reimbursements would occur once the project was completed and the $100,000 will be reimbursed over a period of five fiscal years in the amount of $20,000 per fiscal year.

  The second and third reimbursements occurred in 2023. The second reimbursement occurred in February 2023 which was in Fiscal Year 2023. The third reimbursement occurred in October 2023 which is in Fiscal Year of 2024.

  2024 Project Update: The fourth and fifth reimbursements occurred in 2024. The board approved the fourth reimbursement in October 2024 and at that time, determined that they would pay the fifth and final reimbursement payment in November. With that payment, the project has now been fully reimbursed.

- **GEM STATE BREWING:**

  Project Background: In November 2022, the EURA entered into a reimbursement agreement in the amount of $100,000 with Gem State Brewing for the following improvements at 293 East State Street: sewer infrastructure upgrades, a fire hydrant, Ada County Highway District, and other right-of-way improvements. In the agreement with Gem State Brewing, the total amount is to be paid over three fiscal years. However, no reimbursement request was submitted for 2023 and the monies budgeted carried forward to 2024.

  In June 2023, Gem State Brewing submitted an additional request for the following improvements at the same location: water infrastructure upgrades; installation of a fire hydrant on State Street; and the repaving of State Street and Second Street along with concrete sidewalk repair. The Board approved the request in the amount of $104,231.35.

2024 Project Update: In February 2024, the board paid the FY23 and FY24 payments for the sewer improvements in the amount of $66,666.66. This leaves $33,333.34 to be paid per the agreement in FY25.

In addition, the board paid the reimbursement for the water improvements in the amount of $104,231.35.

- **PARKINSON AREA PROJECTS:**

  Project Background: In 2024, the EURA board approved two projects for developer Rowe Sanderson and MJV Properties in the Parkinson neighborhood.

  Cadenza Court: The first project is known as Cadenza Court and is located at 540 Parkinson. The EURA has agreed to pay $253k for the following improvements for an eight-lot single-family residential subdivision: road, water, sewer, installation of a new fire hydrant; street lights; stormwater; and landscaping. This project is anticipated to be reimbursed in FY25.

  Kody Corner: The second project is known as Kody Corner and is located at 525 and 543 Parkinson. The EURA has agreed to pay $752k for the following improvements for an eighteen-lot single-family residential subdivision: road, sewer, street light, storm water and landscaping. This project will be reimbursed over two fiscal years per the project partnership agreement. It is anticipated the project will be reimbursed in FY25 and FY26.

  Both projects are expected to be completed in calendar year 2025.

- **YESTERDAY PROPERTIES:**

  Project Background: In 2024, the EURA approved a reimbursement agreement for a mixed-use project located at 166 North Second Street in the amount of $268,894. The project improvements include: right-of-way; water; hydrants; lights; stormwater; sewer; and landscaping. The project was expected to be complete in Calendar Year 2025 however, the project had not yet started construction at the end of 2024.

- **STURMAN'S SMOKESHOP:**

  Project Background: In 2024, the EURA approved a reimbursement agreement for Sturman's Smokeshop located at 805 East Plaza in the amount of $43,090. The project improvements include: historic lights; pedestrian bench; bike rack; and a bike repair station. The project was completed in late 2024 and has been fully reimbursed.

- **TYSON GRAY NEW CONSTRUCTION:**

  Project Background: In 2024, the EURA approved a reimbursement agreement for Tyson Gray's new building being constructed at 577 East State Street, in the amount of $84,452.47 for powerline and communication line relocation. The project came in just under the approved amount. The EURA reimbursed Mr. Gray in the amount of $82,593.47 in late 2024.

- **OLDE PARK EXTENSION:**

  Project Background: In 2024, the EURA agreed to partner with the City of Eagle on the Olde Park extension project connecting Olde Park from West State Street through the vacant parcels to the south to the intersection at Eagle Road and Walgreens. The project is intended to assist with traffic circulation issues faced in downtown. The EURA share of this project is estimated to be $850,000. Timing of the project is uncertain due to needed right-of-way acquisition.

FISCAL YEAR 2023 AUDIT: ASSETS, LIABILITIES, INCOME, AND OPERATING EXPENSES

Note: Per the Idaho Tax Commission requirements for the Calendar Year 2024 Annual Report, the Agency must report its Fiscal Year 2023 audit findings and its Fiscal Year 2024 adopted budget. Please note that items discussed below may not align with projects discussed for Calendar Year 2024.

Revenues

The current source of revenues for the EURA is revenue allocation funds (tax increment revenues) generated within the revenue allocation area, and any revenue from interest on the fund balance within the Local Government Investment Pool (LGIP).

For FY2023, the Agency received gross tax revenue allocation funds of $1,355,483. In addition, the Agency received $100,000. from other revenue sources such as interest income within the LGIP account. The total revenues received for FY2023 is $1,455,483.

Expenditures

In FY2023, the Agency expended $99,433 in agency operations and expended $40,332 on projects. The total expenditures in FY2023 is $139,765.

The Agency will continue to look for opportunities to leverage its funding sources and to work with developers, property owners, and public entities to locate and consider redevelopment opportunities, and assist with funding projects that positively impact the urban renewal area in accordance with the EURA Plan.

Operating Expenses

The attached financial statements included within "Attachment A" include the Fiscal Year 2023 Audit and the Fiscal Year 2024 Budget. The audit was approved by the EURA board in December 2023. The budget was approved in August 2023.

Assets

The EURA's assets are comprised primarily of cash accounts and property taxes received. The major portion of the Agency's property tax revenues are received twice per year - typically at the end of January and the end of July. Smaller amounts of delinquent taxes are received during the course of the year.

In 2022, the EURA purchased 35 West State Street with the intention of working with a developer towards the redevelopment of this property. This is the only property asset that the Agency owns.

Liabilities and Debt

The EURA's liabilities generally consist of current accounts payable and deferred revenues. As of the end of FY2023, the EURA had the following financial commitments towards current and future revenues:

- ***Pacific Companies Owner Participation Agreement (OPA):*** The OPA between the Agency and The Pacific Companies for reimbursement of certain public improvements to be constructed by the developer as part of its development remained in effect during 2022.

  Reimbursement for the specific reimbursable public improvements will come from 75% of the net tax increment revenues generated by the new development and only from such funds actually received by the Agency. The EURA retains the remaining 25% of the net tax increment revenues to use at their discretion.

  Each year, the EURA sets aside the anticipated amount of increment the project will generate and awaits The Pacific Companies request for reimbursement. If the developer does not request a reimbursement for a specific fiscal year, that amount is rolled over into the next fiscal year budget.

  The developer bears all the risks that the applicable portion of the net tax increment revenues generated from their projects may not be sufficient to reimburse the developer in whole during the life of the Agency.

- ***City of Eagle Partnership for the Aikens Road Extension:*** The EURA has agreed to partner with the City of Eagle for this important road extension to Second Street.

  As of FY23, the EURA has set aside a total of $149,000 towards this project. Per the Agreement with the City, the EURA will set aside an additional $75,000 with its FY24 budget for a total financial partnership of $224,000.

- ***City of Eagle Partnership for the Eagle and Old State Sidewalk and Streetscape Improvements:*** The EURA has agreed to partner with the City of Eagle for these much-needed right-of-way improvements that will be part of the larger Ada County Highway District project for this intersection.

  As of FY23, the EURA has set aside a total of $670,000 towards this project. Per the Agreement with the City, the EURA will set aside an additional $338,000 with its FY24 budget for a total financial partnership of $1,005,000.

- ***Partnership with Investment Visions, LLC, Parkview Project:*** As indicated under Public-Private Partnerships section in this report, the EURA will owe the developer $20,000 for FY23, FY24, FY25, and FY26.

- ***Partnership with Gem State Brewing:*** As of FY23, the EURA will owe the developer $100,000 for sewer improvements to be evenly split between FY23, FY24, and FY25.

Significant Changes in EURA's Financial Position

The Agency has and continues to operate 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, along with any accrued account balance from previous years.

APPENDIX A: EURA FISCAL YEAR 2023 ANNUAL AUDIT

AND

FISCAL YEAR 2024 BUDGET

Eagle Urban Renewal Agency

Year Ended September 30, 2023

Audited Financial Statements



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Quest CPAs PLLC

EAGLE URBAN RENEWAL AGENCY
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Quest CPAs PLLC
Quality Expertise Service Timeliness

Independent Auditor's Report

Board of Commissioners
Eagle Urban Renewal Agency

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Eagle Urban Renewal Agency (the Agency) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 7, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
November 7, 2023

EAGLE URBAN RENEWAL AGENCY
Statement of Net Position
September 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	$3,502,395
Taxes Receivable	5,617
Total Current Assets	3,508,012
Noncurrent Assets	
Nondepreciable Capital Assets	1,358,850
Depreciable Capital Assets	0
Total Noncurrent Assets	1,358,850
Total Assets	$4,866,862
Liabilities	
Current Liabilities	
Accounts Payable	$6,443
Total Current Liabilities	6,443
Total Liabilities	6,443
Net Position	
Net Investment in Capital Assets	1,358,850
Unrestricted	3,501,569
Total Net Position	4,860,419
Total Liabilities and Net Position	$4,866,862

EAGLE URBAN RENEWAL AGENCY

Statement of Activities

Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Current Expenditures					
Operating Costs	$99,433	$6,949			($92,484)
Project Costs					0
Downtown Grid Cost-Share	0				0
Parkview Infrastructure Improvements	20,000				(20,000)
Property Acq/Redevel/Improve	0				0
Other Projects/OPA	20,332				(20,332)
Capital Assets	0				0
Total	$139,765	$6,949	$0	$0	(132,816)
General Revenues					
Tax Increment Revenue					1,355,483
Interest Income					100,938
Loss on Asset Disposition					(315,632)
Total					1,140,789
Change in Net Position					1,007,973
Net Position - Beginning					3,852,446
Net Position - Ending					$4,860,419

EAGLE URBAN RENEWAL AGENCY
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund
Assets	
Cash & Investments	$3,502,395
Taxes Receivable	5,617
Total Assets	$3,508,012
Liabilities	
Accounts Payable	$6,443
Total Liabilities	6,443
Deferred Inflows of Resources	
Unavailable Tax Revenues	4,577
Total Deferred Inflows of Resources	4,577
Fund Balances	
Unassigned	3,496,992
Total Fund Balances	3,496,992
Total Liabilities and Deferred Inflows of Resources and Fund Balances	$3,508,012

EAGLE URBAN RENEWAL AGENCY
Balance Sheet - Governmental Funds
September 30, 2023

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	
Total Governmental Fund Balances	$3,496,992
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,358,850
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	4,577
Net Position of Governmental Activities	$4,860,419

EAGLE URBAN RENEWAL AGENCY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended September 30, 2023

	General Fund
Revenues	
Tax Increment Revenue	$1,351,529
Interest Income	100,938
Other Revenue	287,744
Total Revenues	1,740,211
Expenditures	
Current Expenditures	
Operating Costs	99,433
Project Costs	
Downtown Grid Cost-Share	0
Parkview Infrastructure Improvements	20,000
Property Acq/Redevel/Improve	0
Other Projects/OPA	20,332
Total Expenditures	139,765
Net Change in Fund Balances	1,600,446
Fund Balances - Beginning	1,896,546
Fund Balances - Ending	$3,496,992

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Year Ended September 30, 2023

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	
Net Change in Fund Balances - Total Governmental Funds	$1,600,446
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense or allocated over the appropriate term as amortization expense. This is the excess of capital outlays over (under) depreciation/amortization expense in the current period.	(596,427)
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds.	3,954
Change in Net Position of Governmental Activities	$1,007,973

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The Eagle Urban Renewal Agency (the Agency) provides urban renewal services as authorized by Idaho Code and operates under a board of commissioners form of government. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to urban renewal agencies. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the Agency are discussed below.

Basic Financial Statements - Government-Wide Statements – The Agency's basic financial statements include both government-wide (reporting the Agency as a whole) and fund financial statements (reporting the Agency's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the Agency's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the Agency's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

As the Agency has only one function (providing urban renewal services) which is reported in one fund, all expenses are considered direct and, accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the Agency as an entity and the change in the Agency's net position resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the Agency are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the Agency include:

General Fund – The general fund is the Agency's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Investments – Investments are measured using the market approach and include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of any depreciable assets is recorded using the straight line method.

Leases/SBITAs and Amortization – Material long-term leases and subscription-based information technology arrangements (SBITAs) are reported in accordance with the provisions of GASB 87 *Leases* and GASB 96 *SBITAs*. When incurred, amortization over the appropriate lease or SBITA term is recorded using the straight-line method.

Deferred Outflows/Inflows of Resources – The Agency's financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation,

and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the Agency first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the Agency first utilizes committed resources then assigned resources before using unassigned resources.

Tax Increment Revenue – The Agency receives a portion of the property taxes generated by the taxing entities within the Agency's taxing district. The taxes are collected by the respective county and then remitted back to the Agency. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Custodial Credit Risk – The Agency maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The Agency does not have a formal policy concerning custodial credit risk.

Risk Management – The Agency is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Subsequent Events – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	$24,800
Investments - Local Gov't Investment Pool	3,477,595
Total	$3,502,395

Deposits – At year end, the carrying amounts of the Agency's deposits were $24,800 and the bank balances were $26,607. The bank balances were insured.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

	Investment Maturity Schedule (In Years)	
Investment Type	Less Than 1	Total
Local Gov't Invest Pool	$3,477,595	$3,477,595
Total	$3,477,595	$3,477,595

Credit rate risk:

	Investment Rating Schedule	
Investment Type	Not Rated	Total
Local Gov't Invest Pool	$3,477,595	$3,477,595
Total	$3,477,595	$3,477,595

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The Agency's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer’s office investment policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to $10 million. Withdrawals of $10 million or more require three business days’ notification. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

C. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$1,614,165		$255,315	$1,358,850
Total	1,614,165	$0	255,315	1,358,850
Depreciable Capital Assets				
Buildings	358,245		358,245	0
Subtotal	358,245	0	358,245	0
Accumulated Depreciation				
Buildings	17,133		17,133	0
Subtotal	17,133	0	17,133	0
Total	341,112	0	341,112	0
Net Capital Assets	$1,955,277	$0	$596,427	$1,358,850

EAGLE URBAN RENEWAL AGENCY

Budgetary Comparison Schedule - General Fund

Year Ended September 30, 2023

General Fund	Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Tax Increment Revenue	$1,550,000	$1,550,000	$1,351,529	($198,471)	
Interest Income	10,000	10,000	100,938	90,938	
Other Revenue	3,000	3,000	287,744	284,744	
Total Revenues	1,563,000	1,563,000	1,740,211	177,211	
Expenditures					
Current Expenditures					
Operating Costs	105,574	105,574	99,433	6,141	
Project Costs					
Downtown Grid Cost-Share	42,500	42,500	0	42,500	
Parkview Infrastructure Improvements	20,000	20,000	20,000	0	
Property Acq/Redevel/Improve	330,000	330,000	0	330,000	
Other Projects/OPA	2,570,895	2,570,895	20,332	2,550,563	
Total Expenditures	3,068,969	3,068,969	139,765	2,929,204	*
Net Change in Fund Balances	(1,505,969)	(1,505,969)	1,600,446	3,106,415	
Fund Balances - Beginning	1,505,969	1,505,969	1,896,546	390,577	
Fund Balances - Ending	$0	$0	$3,496,992	$3,496,992	

**Total expenditures (over) under appropriations.*

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Commissioners
Eagle Urban Renewal Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Eagle Urban Renewal Agency (the Agency) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 7, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

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results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Quest CPAs PLLC

Payette, Idaho
November 7, 2023

EAGLE URBAN RENEWAL AGENCY - AMENDED FY2024 BUDGET (October 01, 2023 - September 30, 2024)

	FY2024 Amended Budget	FY2024 Original Budget		
Operating Revenue				
Property Tax Revenue (Current and Delinquent) + Sale of Prope	1,705,762	1,257,724		
Rent and utilities - 35 West State Street	6,600	6,600		
Interest Income	82,000	82,000		
Fund Balance	3,029,014	3,029,014		
TOTAL REVENUES and AVAILABLE CASH	$ 4,823,376	$ 4,375,338		
Contractual Obligations:				
Professional Services				
Executive Director Services	55,000	55,000		
Legal Services	20,000	20,000		
Legislative Services	5,000	5,000		
Audit Services	4,200	4,200		
City of Eagle Services	8,500	8,500		
Accounting Services	12,000	12,000		
	104,700	104,700		
Operational Expenses				
ICRMP-Insurance Premium/Claims	2,309	2,309		
Repair and Maintenance for EURA Property	1,000	1,000		
Advertising and Legal Publications	1,500	1,500		
Office Supplies	800	800		
Utilities for EURA Property	936	936		
Dues and Subscriptions	7,000	7,000		
Education and Training	350	350		
	13,895	13,895		
Total Contractual Obligations	118,595			
Revenues less Contractual Obligations	4,704,781	4,256,743		
Project Expenditures				
Pacific Companies - East End Owner Participation Agreement	1,700,000	1,700,000		
Eagle and State Street Sidewalk and Streetscape (Annual Set-Aside FY21, 22, 23, and 24)	1,005,000	1,005,000		
Aikens Street Extension (Annual Set-Aside FY21, 22, 23, and 24)	223,000	223,000		
Special Projects	1,544,487	1,132,350		
Parkview Infrastructure Improvements (FY22, 23, 24, 25, and 26)	20,000	20,000		

EAGLE URBAN RENEWAL AGENCY - AMENDED FY2024 BUDGET (October 01, 2023 - September 30, 2024)

	FY2024 Amended Budget	FY2024 Original Budget		
Gem State Brewing Partnership (FY23, 24, and 25)	33,333	33,333		
Downtown Grid Cost-Share (No Agreement in Place)	42,500	42,500		
	-			
SUBTOTAL CAPITAL EXPENDITURES	4,568,320			
8% Reserve Based on Estimated Revenues for FY24	136,461	100,560		
TOTAL EXPENDITURES	4,823,376	219,155		
NET	-	4,156,183	-	

Based upon 8% of $1,705,762 estimated revenues

1,705,762	
0.08	
136,461	