



***SPECIAL MEETING* KETCHUM URBAN RENEWAL AGENCY**

**Monday, November 13, 2023 at 2:00 PM
191 5th Street West, Ketchum, Idaho 83340**

AGENDA

PUBLIC PARTICIPATION INFORMATION

Public information on this meeting is posted outside City Hall.

We welcome you to watch Council Meetings via live stream.

You will find this option on our website at <https://www.ketchumura.org/kura/meetings>.

If you would like to comment on a public hearing agenda item, please select the best option for your participation:

1. Join us via Zoom (*please mute your device until called upon*).
Join the Webinar: <https://ketchumidaho-org.zoom.us/j/86455235451>
Webinar ID: 864 5523 5451
2. Join us at City Hall.
3. Submit your comments in writing at info@ketchumura.org (*by noon the day of the meeting*).

This agenda is subject to revisions. All revisions will be underlined.

CALL TO ORDER:

ROLL CALL:

COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS:

CONSENT CALENDAR: (ALL ACTION ITEMS)

1. ACTION ITEM: Approval of Bills
2. ACTION ITEM: Approval of October 13, 2023 Minutes and November 6, 2023 Minutes

ACTION ITEMS:

3. ACTION ITEM: Approval of Resolution 23-URA08 Extending Agreement to Negotiate Exclusively 50082
4. ACTION ITEM: Review, discussion and direction on Draft Development and Disposition Agreement, Ground Lease and KURA funding participation for First and Washington.

ADJOURNMENT:

Report Criteria:

Invoices with totals above \$0 included.
Only unpaid invoices included.
[Report].GL Account Number = "961000000"- "9848009999"

Vendor Name	Invoice Number	Description	Net Invoice Amount
URBAN RENEWAL AGENCY			
URBAN RENEWAL EXPENDITURES			
98-4410-4200 PROFESSIONAL SERVICES			
CITY OF KETCHUM	7381	SVED PAID BY CITY IN ERROR REIMBURSEMENT	6,000.00
98-4410-8801 REIMBURSE CITY GENERAL FUND			
CITY OF KETCHUM	7335	SALARIES & BENEFITS 9-23 to 10-20-2023	6,636.55
Total URBAN RENEWAL EXPENDITURES:			12,636.55
Total URBAN RENEWAL AGENCY:			12,636.55
Grand Totals:			12,636.55



CITY OF KETCHUM
 P.O. Box 2315
 Ketchum ID 83340
 Phone: (208) 726-3841
 Fax: (208) 727-5070

INVOICE

Date	Number	Page
10/25/2023	7335	1

Bill To: KETCHUM URBAN RENEWAL AGENCY
 BOX 2315
 KETCHUM ID 83340

Customer No. 410
Project:
Terms: Due Upon Receipt
Invoice Due Date: 10/25/2023

Quantity	Description	Unit Price	Net Amount
1	SALARIES & BENEFITS 9-23 TO 10-20-23	6,636.55	6,636.55

Please remit payment via:
<https://www.ketchumidaho.org/administration/page/online-payments>
 OR
 City of Ketchum
 PO Box 2315
 Ketchum, ID 83340

Amount	6,636.55
Balance Due	<u>6,636.55</u>

Employee	Rate w/benefits	Hours	Amount	Rate	Hours	February Financial Statement
Frick, Suzanne	92.12	68.75	6,333.19	92.12	68.75	6,333.19
Donat, Trent	67.65	2	135.30			
Ancona, Bailee	51.55	2	103.10			
Gallagher, Shellie	64.96	1	64.96			
Total		73.75	6,636.55			

NON-DEPARTMENTAL

PERSONAL SERVICES:

01-4193-1000	SALARIES	4,452.50	4,452.50
01-4193-2100	FICA TAXES-CITY	340.62	340.62
01-4193-2200	STATE RETIREMENT-CITY	497.79	497.79
01-4193-2400	WORKMEN'S COMPENSATION-CITY	5.34	5.34
01-4193-2500	HEALTH INSURANCE-CITY	1,017.00	1,017.00
01-4193-2510	DENTAL INSURANCE-CITY	19.94	19.94
01-4193-2600	LONG TERM DISABILITY	.00	.00

TOTAL PERSONAL SERVICES

PERIOD ACTUAL

YTD ACTUAL

E

4,452.50	4,452.50
340.62	340.62
497.79	497.79
5.34	5.34
1,017.00	1,017.00
19.94	19.94
.00	.00
<u>6,333.19</u>	<u>6,333.19</u>



CITY OF KETCHUM

P.O. Box 2315
Ketchum ID 83340
Phone: (208) 726-3841
Fax: (208) 727-5070

INVOICE

Date	Number	Page
11/07/2023	7381	1

Bill To: KETCHUM URBAN RENEWAL AGENCY
BOX 2315
KETCHUM ID 83340

Customer No. 410
Project:
Terms: Due Upon Receipt
Invoice Due Date: 11/17/2023

Quantity	Description	Unit Price	Net Amount
1	SVED PAID BY THE CITY IN ERROR TO REIMBURSE	6,000.00	6,000.00

Please remit payment via:
<https://www.ketchumidaho.org/administration/page/online-payments>
OR
City of Ketchum
PO Box 2315
Ketchum, ID 83340

Amount	6,000.00
Balance Due	<u>6,000.00</u>

Sun Valley Economic Development, Inc.
PO Box 3893
Ketchum, ID 83340 US
(208)720-7779
Harry@sunvalleyeconomy.org
www.sunvalleyeconomy.org

Invoice



SUN VALLEY
ECONOMIC
DEVELOPMENT

BILL TO
Shellie Rubel
Ketchum Urban Renewal Agency
City of Ketchum

PO# 23009
[Signature]

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1413	10/01/2022	\$3,750.00	10/31/2022	Net 30	

DESCRIPTION	QTY	RATE	AMOUNT
Public Sector - KURA Quarterly Contract for Service Thank you for your support.	1	3,750.00	3,750.00
		BALANCE DUE	\$3,750.00

City Paid in error →

Sun Valley Economic Development, Inc.
PO Box 3893
Ketchum, ID 83340 US
(208)720-7779
Harry@sunvalleyeconomy.org
www.sunvalleyeconomy.org

Invoice

10-1



SUN VALLEY
ECONOMIC
DEVELOPMENT

BILL TO
Shellie Gallagher
Ketchum Urban Renewal Agency
City of Ketchum

24007
Sun

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1519	10/01/2023	\$2,250.00	10/31/2023	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Public Sector - KURA Quarterly Contract for Service Thank you for your support.	1	2,250.00	2,250.00
	BALANCE DUE		\$2,250.00

City Paid in error

CK# 91699



Meeting Minutes

Monday October 16, 2023,

2:00pm

Ketchum City Hall

CALL TO ORDER:

Board Chair Susan Scovell called the meeting to order at 2:01pm. *(00:00:16 in video)*

ROLL CALL:

Present:

Vice-Chair Casey Dove
Board Member Gary Lipton
Board Member Jim Slanetz
Board Member Amanda Breen
Board Member Tyler Davis-Jeffers

Absent:

Board Member Casey Burke

Other attendees:

Suzanne Frick, KURA Executive Director
Trent Donat, KURA Secretary, City Clerk and Business Administrator
Abbey Germaine, KURA Counsel *(via teleconference)*
Harry Griffith, Sun Valley Economic Development

COMMUNICATION FROM THE BOARD MEMBERS:

Gary Lipton discussed the comment section presented by Perry Boyle following an article from the September 26, 2023, edition of the Idaho Mountain Express. *(00:0:47 in video)*

CONSENT CALENDAR: ALL ACTION ITEMS *(00:03:17 in video)*

1. Motion to move approve the September 18, 2023, KURA Minutes

(00:03:29 in video)

Motion made by Jim Slanetz; seconded by Casey Dove

Ayes: Gary Lipton, Casey Dove, Jim Slanetz, Amanda Breen, Tyler Davis-Jeffers,

Abstained: Susan Scovell – not present at the previous meeting

Nays: None

Question regarding ICRMP Insurance asked by Amanda Breen *(00:03:46 in video)*

2. Motion to move approve the bills. *(00:05:19 in video)*

Motion made by Amanda Breen; seconded by Casey Dove

Ayes: Gary Lipton, Casey Dove, Jim Slanetz, Amanda Breen, Tyler Davis-Jeffers

Abstained: Susan Scovell

Nays: None

DISCUSSION ITEMS:

3. Update on the First and Washington Project. (00:05:33 in video)

Presented by: Suzanne Frick

Joined by: Abbey Germaine

Comments, questions, and discussion by Board Members (00:08:42 in video)

Special Meeting set for November 6, 2023, to continue discussion (00:25:00 in video)

4. Presentation and Discussion of Sun Valley Economic Development 3rd Quarter Report. (00:25:47 in video)

Presented by: Harry Griffith

Comments, questions, and discussion by Board Members (00:37:20 in video)

ACTION ITEMS:

5. Recommendation to Approve resolution 23-URA07 Approving Agreement #50088 between the KURA and Sun Valley Economic Development for FY 24.

(00:34:40 in video)

Motion to approve Resolution 23-URA07 and agreement #50088 with Sun Valley Economic Development and authorize the Chair to sign the Agreement.

(00:35:36 in video)

Motion made by Amanda Breen; seconded by Gary Lipton

Ayes: Gary Lipton, Casey Dove, Jim Slanetz, Tyler Davis-Jeffers, Amanda Breen, Susan Scovell

Nays: None

Comments, questions, and discussion by board members. (00:46:26 in video)

6. Motion to schedule a Special KURA Meeting on November 6, 2023, at 2:00pm a Special KURA meeting on November 13th, 2023 at 2:00pm and a Special Joint Meeting Joint Meeting of KURA and the City Council on November 13, 2023, at 4:00pm and cancel the Regular Meeting of the KURA on November 20, 2023, at 2:00pm.

(00:50:10 in video)

Motion made by Amanda Breen; seconded by Susan Scovell

Ayes: Gary Lipton, Casey Dove, Jim Slanetz, Amanda Breen, Tyler Davis-Jeffers, Susan Scovell

Nays: None



ADJOURNMENT:

Motion to adjourn 2:52pm. (00:50:42 in video)

Motion made by Jim Slanetz; seconded by Susan Scovell

Ayes: Gary Lipton, Jim Slanetz, Casey Dove, Tyler Davis-Jeffers, Amanda Breen
Susan Scovell

Nays: None

Susan Scovell Board Chair

ATTEST:

Trent Donat, KURA Secretary



Special Meeting Minutes

Monday November 6, 2023,

2:00pm

Ketchum City Hall

CALL TO ORDER:

Board Chair Susan Scovell called the meeting to order at 2:00pm. *(00:00:32 in video)*

ROLL CALL:

Present:

Board Member Gary Lipton

Board Member Jim Slanetz

Board Member Amanda Breen

Board Member Casey Burke

Board Member Tyler Davis-Jeffers *(arrived at 2:11pm)*

Absent:

Vice-Chair Casey Dove

Other attendees:

Suzanne Frick, KURA Executive Director

Jade Riley, City Administrator

Abbey Germain, KURA Counsel *(via teleconference)*

Ryan Armbruster, KURA Counsel *(via teleconference)*

Mark Edlen, Development Team

Frank Lee, Development Team

Mary Wilson, Development Team

Tim Wolff, Development Team

COMMUNICATION FROM THE BOARD MEMBERS:

None *(00:0:46 in video)*

CONSENT CALENDAR: ALL ACTION ITEMS *(00:01:05 in video)*

- 1. Review, discussion and direction on Draft Development and Disposition agreement and Ground Lease for First and Washington. *(00:01:08 in video)***

Presented by: Suzanne Frick

Joined by: Abbey Germaine and Ryan Armbruster *(00:04:17 in video)*

Comments, questions, and discussion by Board Members and Development Team

(00:23:10 in video)



ADJOURNMENT:

Motion to adjourn 3:17 pm. *(01:16:36 in video)*

Motion made by Amanda Breen; seconded by Casey Burke

Ayes: Gary Lipton, Jim Slanetz, Casey Burke, Tyler Davis-Jeffers,
Amanda Breen

Nays: None

Susan Scovell, Board Chair

ATTEST:

Trent Donat, KURA Secretary



Ketchum Urban Renewal Agency

P.O. Box 2315 | 191 5th Street | Ketchum, ID 83340

November 13, 2023

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO APPROVE THIRD AMENDMENT TO AGREEMENT TO NEGOTIATE EXCLUSIVELY 50082 AND ADOPT RESOLUTION 23-URA08

Introduction/History

In January 2023 the KURA entered into an Agreement to Negotiate Exclusively (ANE) with Wood River Community Housing Trust Inc, and DeChase Development Services LLC. The ANE contained specific deadlines for completion of specific tasks. The original ANE dates were extended in May 2023. Per the terms of the extension, the Development and Disposition Agreement (DDA) was to be completed by September 24, 2023.

Due to the complexity of the issues, the Board approved a second extension to the ANE requiring completion of the DDA and Ground Lease by November 23, 2023.

The draft agreements have been presented to the board and additional time is necessary for board review and consideration. A third extension is proposed moving the completion and approval dates for the agreement until January 22, 2023. The January date takes into account the holidays.

Financial Requirement/Impact

There is no financial impact resulting from the recommended action.

Recommendation and Motion

Staff recommends the following motion:

“I move to approve the Third Amendment to ANE 50082 and Adopt Resolution 23-URA08.”

Attachment: A: Resolution 23-URA08
 B: Third Amendment to Agreement to Negotiate 50082

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO, APPROVING A THIRD AMENDMENT TO AGREEMENT TO NEGOTIATE EXCLUSIVELY BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM AND THE WOOD RIVER COMMUNITY HOUSING TRUST, INC. AND 1ST AND WASHINGTON DEVELOPMENT LLC; AND AUTHORIZING THE CHAIR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID THIRD AMENDMENT TO AGREEMENT TO NEGOTIATE EXCLUSIVELY SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE THIRD AMENDMENT TO AGREEMENT TO NEGOTIATE EXCLUSIVELY AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE THIRD AMENDMENT TO AGREEMENT TO NEGOTIATE EXCLUSIVELY; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, and the Local Economic Development Act, as amended and supplemented, Chapter 29, Title 50, Idaho Code (collectively, the “Act”), as a duly created and functioning urban renewal agency for Ketchum, Idaho (hereinafter referred to as the “Agency”).

WHEREAS, the City Council of the city of Ketchum (the “City”) by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the “2006 Plan”) to be administered by the Agency; and

WHEREAS, upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010, and deemed effective on November 24, 2010, the Agency began implementation of the amended Ketchum Urban Renewal Plan (the “2010 Plan”); and

WHEREAS, in order to achieve the objectives of the 2010 Plan, the Agency is authorized to acquire real property for the revitalization of areas within the 2010 Plan boundaries; and,

WHEREAS, the Agency owns certain real property addressed as 211 E. 1st Avenue, Ketchum (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B), and Lot 6, Block 19 (Parcel RPK0000019006B) (the “Site”); and

WHEREAS, the Agency and Wood River Community Housing Trust, Inc. an Idaho nonprofit corporation (“Trust”) and 1st and Washington Development LLC, an Idaho limited liability company (“1st and Washington”) (with Trust and 1st and Washington herein collectively

referred to as the “Developer”), entered into the Agreement to Negotiate Exclusively (“ANE”) on January 27, 2023, for the purpose of analyzing and assessing a development opportunity for the Site; and

WHEREAS, the ANE contemplated a negotiation period in which the Agency and the Developer were to negotiate the terms of the Disposition and Development Agreement (“DDA”) and long-term ground lease (“Ground Lease”), as well as certain timelines for both Parties to provide certain information and data to the other Party; and

WHEREAS, pursuant to Section 102 of the ANE, the Parties have the ability to extend the ANE for a period of time to continue negotiations; and

WHEREAS, the Parties extended the negotiation period of the ANE pursuant to the First Amendment to Agreement to Negotiate Exclusively (“First Amendment”), approved by Resolution No. 23-URA03 and executed on May 15, 2023, to allow for the negotiation, finalization, and execution of a DDA and Ground Lease as well as extending certain timelines for the Parties to provide additional information and data required by the ANE; and

WHEREAS, the Parties extended the negotiation period of the ANE pursuant to the Second Amendment to Agreement to Negotiate Exclusively (“Second Amendment”), approved by Resolution No. 23-URA05 and executed on September 21, 2023, to allow for the negotiation, finalization, and execution of a DDA and Ground Lease; and

WHEREAS, the Parties desire to continue to negotiate in good faith to develop the DDA and Ground Lease and require additional time to finalize specific terms and conditions within the DDA. The Parties wish to extend the ANE in order to allow for an extension of the negotiation timeframe for execution of the DDA and Gound Lease; and

WHEREAS, the Board of Commissioners of the Agency find it in the best public interest to approve the Third Amendment to ANE and authorize the Chair and Secretary to execute and attest the Third Amendment to ANE, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE KETCHUM URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Third Amendment to ANE, attached hereto as Exhibit A, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted as to form recognizing technical changes or corrections, which may be required prior to execution of the Third Amendment to ANE.

Section 3: That the Chair of the Agency is hereby authorized to sign and enter into the Third Amendment to ANE and, further, is hereby authorized to execute all necessary documents

required to implement the actions contemplated by the Third Amendment to ANE, subject to representations by the Agency staff and legal counsel that all conditions precedent to, and any necessary technical changes to, the Third Amendment to ANE are consistent with the provisions of the Agreement and the comments and discussion received at the November 13, 2023, Agency Board meeting, including any necessary substantive changes discussed and approved at the Agency Board meeting.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Ketchum, Idaho on November 13, 2023. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners on November 13, 2023.

URBAN RENEWAL AGENCY OF KETCHUM

By _____
Susan Scovell, Chair

ATTEST:

By _____
Secretary

THIRD AMENDMENT
to
AGREEMENT TO NEGOTIATE EXCLUSIVELY
by and between
THE URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM
and
WOOD RIVER COMMUNITY HOUSING TRUST, INC. and
1ST AND WASHINGTON DEVELOPMENT LLC

THIS SECOND AMENDMENT TO AGREEMENT TO NEGOTIATE EXCLUSIVELY (this “Second Amendment”) is entered into by and between the Urban Renewal Agency of the city of Ketchum, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic (the “Agency”), organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended (the “Law”), and undertaking projects under the authority of the Law and the Local Economic Development Act, title 50, chapter 29, Idaho Code, as amended (the “Act”), and Wood River Community Housing Trust, Inc. an Idaho nonprofit corporation (“Trust”) and 1st and Washington Development LLC, an Idaho limited liability company (“1st and Washington”) (with Trust and 1st and Washington herein collectively referred to as the “Developer”), or its assigns as provided for herein, collectively referred to as the “Parties” and each individually as “Party,” on the terms and provisions set forth below.

RECITALS

WHEREAS, the Agency owns certain real property addressed as 211 E. 1st Avenue, Ketchum (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B), and Lot 6, Block 19 (Parcel RPK0000019006B) (the “Site”); and

WHEREAS, the Agency and the Developer entered into the Agreement to Negotiate Exclusively (“ANE”) on January 27, 2023, for the purpose of analyzing and assessing a development opportunity for the Site, see Exhibit A attached hereto; and

WHEREAS, the ANE contemplated a negotiation period in which the Agency and the Developer were to negotiate the terms of the Disposition and Development Agreement (“DDA”) and long-term ground lease (“Ground Lease”), as well as certain timelines for both Parties to provide certain information and data to the other Party; and

WHEREAS, pursuant to Section 102 of the ANE, the Parties have the ability to extend the ANE for a period of time to continue negotiations; and

WHEREAS, the Parties extended the negotiation period of the ANE pursuant to the First Amendment to Agreement to Negotiate Exclusively (“First Amendment”), approved by Resolution No. 23-URA03 and executed on May 15, 2023, see Exhibit B attached hereto, to allow for the negotiation, finalization, and execution of a DDA and Ground Lease as well as extending certain timelines for the Parties to provide additional information and data required by the ANE; and

WHEREAS, the Parties extended the negotiation period of the ANE pursuant to the Second Amendment to Agreement to Negotiate Exclusively (“Second Amendment”), approved by Resolution No. 23-URA05 and executed on September 21 2023, see Exhibit C attached hereto, to allow for the negotiation, finalization, and execution of a DDA and Ground Lease; and

WHEREAS, the Parties desire to continue to negotiate in good faith to develop the DDA and Ground Lease and require additional time to finalize specific terms and conditions within the DDA. The Parties wish to extend the ANE in order to allow for an extension of the negotiation timeframe for execution of the DDA and Gound Lease.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the sufficiency of which is agreed and acknowledged, the Agency and the Developer agree the foregoing recitals are not mere recitations but are covenants of the Parties, binding upon them as may be appropriate and a portion of the consideration for the agreements contained herein, and hereby further agree as follows:

A. PURPOSE OF SECOND AMENDMENT. Pursuant to Section 102, Negotiation Period of the ANE, the ANE was to terminate if the Parties had not reached an agreeable DDA and Ground Lease related to the Site within one hundred and eighty (180) days from the Effective Date. The Effective Date of the ANE is January 27, 2023, making the original Termination Date for the Negotiation Period, July 26, 2023. The Parties initially extended the negotiation period for an additional sixty (60) days, pursuant to the First Amendment providing the new Negotiation Period date of September 24, 2023. The Parties then extended the negotiation period for an additional sixty (60) days, pursuant to the Second Amendment providing the new Negotiation Period date of November 23, 2023. The negotiation of the Affordable Workforce Housing Project has been delayed and both Parties wish to extend the terms of the ANE to allow for the negotiation and finalization of an acceptable DDA and Ground Lease.

B. NEGOTIATION PERIOD. Section 102 of the ANE specified that the Negotiation Period for which the Developer and the Agency were to negotiate a DDA and Ground Lease was one hundred and eighty days (180) days after execution of the ANE. Section 102 allows the Agency, in its discretion, to extend the ANE for an additional period of time. Both Parties believe it necessary to extend the ANE a second time to allow for the development of the Affordable Workforce Housing Project’s specifics and execution of an agreed upon DDA and Ground Lease. Therefore, based on the terms and conditions outlined in this Third Amendment, the Agency and the Developer agree to extend the ANE for an additional sixty (60) days after the Effective Date of the Third Amendment. The extension of an additional sixty (60) days after the Effective Date of the Second Amendment, will extend the Negotiation Period to January 22, 2024.

C. EXECUTION OF A DDA AND/OR GROUND LEASE. Based on the terms of the ANE, the First Amendment, the Second Amendment, and this Third Amendment, the negotiation and execution of a DDA and/or Ground Lease related to the Site must occur prior to January 22, 2024. Should execution of a DDA and/or Ground Lease between the Agency and the Developer not occur on or before January 22, 2024, the Agency shall have no further obligations related to the ANE, the First Amendment, the Second Amendment, or this Third Amendment and

the Deposit shall be returned to Developer, minus any funds spent by the Agency to obtain the Reuse Appraisal, if applicable, as contemplated in Section 103 and 102 of the ANE. If the ANE expires, the Agency will then pursue other options for development of the Site.

D. EXHIBIT C TO ANE. The Schedule of Performance, Exhibit C to the ANE and the First Amendment and Second Amendment is hereby superseded and replaced by the attached updated Exhibit C – Schedule of Performance. All other Exhibits to the ANE and First Amendment remain in full force and effect.

E. ALL OTHER TERMS TO REMAIN. All other terms and conditions of the ANE and First Amendment, not otherwise amended as provided herein this Second Amendment, shall remain in full force and effect and shall be binding upon the Parties as if set forth in full herein. Capitalized terms used but not defined in this Second Amendment shall have the same meanings ascribed to such capitalized terms in the ANE and First Amendment.

[signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment on the dates set forth below.

_____, 2023

AGENCY

THE URBAN RENEWAL AGENCY OF
THE CITY OF KETCHUM, also known as
KETCHUM URBAN RENEWAL AGENCY

Susan Scovell, Chair

_____, 2023

TRUST

Wood River Community Housing Trust, Inc.
an Idaho nonprofit corporation

By: _____
Name: _____

_____, 2023

1st and Washington Development LLC

an Idaho limited liability company

By: _____
J. Dean Papé, Manager

EXHIBIT A TO THE THIRD AMENDMENT
EXECUTED AGREEMENT TO NEGOTIATE EXCLUSIVELY

EXHIBIT B TO THE THIRD AMENDMENT
EXECUTED FIRST AMENDMENT

EXHIBIT C TO THE THIRD AMENDMENT
EXECUTED SECOND AMENDMENT

EXHIBIT C TO THE ORIGINAL ANE
Schedule of Performance

Task	Completion Date	Comments	Section Reference
Effective Date	Date Agreement signed by all Parties (last date signed)		000/102
Negotiation Period	Commences on the Effective Date and shall terminate one hundred eighty (180) days thereafter As extended, January 22, 2024	Agency may extend the Negotiation Period an additional sixty (60) days without payment by Developer If Developer requests extension, an extension fee of \$5,000 may be required First Amendment extends Negotiation Period sixty (60) days Second Amendment extends Negotiation Period sixty (60) days Third Amendment extends Negotiation Period sixty (60) days	102
Deposit	Within fifteen (15) days of the Effective Date	\$10,000	103
Environmental Reports	Within thirty (30) days of the submission of Deposit by Developer, Agency to provide any reports to Developer		205
Financing	07/30/2023	First Amendment extends deadline - Developer to provide Agency on or before 07/30/2023, with timeline and process to obtain bonding and utilization of IHFA programs	807
Community Outreach			804
Preliminary Parking Data	June 30, 2023	First Amendment extends to June 30, 2023	809
Reuse Appraisal	Must be completed prior to closing on DDA		300
Design Development Plan	Developer to provide Design Development Plan Per DDA		201

Termination Date/Deadline for Developer to execute a mutually approved DDA	<p>One hundred eighty (180) days after the Effective Date.</p> <p>As extended by First Amendment, September 24, 2023</p> <p>Extended by Second Amendment, November 23, 2023</p> <p>Extended by Third Amendment January 22, 2024.</p>	<p>Unless extension provided</p> <p>First Amendment extends Negotiation Period sixty (60) days</p> <p>Second Amendment extends Negotiation Period sixty (60) days</p> <p>Third Amendment extends Negotiation Period (60) days</p>	102
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4869-9929-9982, v. 1



Ketchum Urban Renewal Agency

P.O. Box 2315 | 191 5th Street | Ketchum, ID 83340

November 13, 2023

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO REVIEW, DISCUSS AND PROVIDE DIRECTION TO STAFF ON FUNDING OPTIONS FOR 1ST STREET AND WASHINGTON AVENUE PROJECT

Introduction/History

As background, the project site at 1st and Washington consists of four parcels, lots 5, 6, 7, and 8 in block 19. In 2006 the KURA purchased the two southern parcels, lots 7 and 8, for the purpose of developing an affordable housing project. In 2011 the KURA issued a request for proposal for an affordable housing development. A developer was selected, however due to community opposition, the project was abandoned. In 2018 the KURA purchased the two lots to the north, lots 5 and 6 for the purpose of expanding the parking lot and creating a larger site for a future affordable housing project. Since 2006, the KURA has been working towards development of the property for affordable housing.

At the November 6, 2023 KURA meeting to review the Draft Development and Disposition Agreement and Ground Lease, the Board requested information on project financing and the options for KURA financial support. This report provides information on the following issues related to the First and Washington Project:

- Summary of developer proforma options to fund the project
- KURA current and projected revenue available for the project
- Options for KURA funding

Project Proforma Summary

As outlined in Attachment A, the financing structure for the project consists of interim construction financing and permanent financing. Total hard and soft costs for the project are projected at \$23,582,251 and \$2,354,079 for construction financing for a project cost of \$25,936,330. Permanent bond financing costs are estimated to be \$2,669,786 resulting in a total project cost of \$28,606,117.

Permanent financing would consist of issuing “A bonds” to fund 70% of the project cost and “E notes” to fund 30% of the project cost. The E notes would be sold to governmental and 501c3 not for profit entities for employee housing.

The development team has prepared three scenarios for financing the project:

1. A below current market A bond interest rate at 4% which results in weighted average rents at 105% of AMI, which is from the original WRCHT proposal in response to the KURA RFP.
2. A scenario that assumes higher rents at 128% of AMI which is consistent with the KURA AMI targets from the RFP, which results in requiring a below market rate A bond interest rate of 5.4%+/- that can be serviced from operations.
3. A scenario using 6.25% interest rate as the assumed current interest rate on the A bonds pushes the rents up to 142% of AMI +/- in order to service the debt.

Based on the above scenarios, it is anticipated the project would need the following financial assistance:

Scenario 1: Based on the most recent interest rate quote of 6.25%, in order to offset the originally proposed, 4% interest rate for A bonds and rents at 105% of AMI the project needs ~\$8million in funding assistance, or an approximate annual financial contribution of \$471,396.

Scenario 2: By increasing rents averaging 128% of AMI, which is the average weighted AMI per the RFP, and with a 5.4% interest rate, the project would need ~\$3.5 million in funding or an approximate annual contribution of \$180,352.

Based on Developer's response to the KURA RFP should interest rates fall to 4% the project is deemed feasible and KURA's participation would include only utility infrastructure support and demolition, site preparation and site excavation.

Under Scenario 2, in the event the weighted average rent levels need to be reduced from 128% of AMI to a lower average such as 105%-110%, additional funding assistance will be necessary.

Issues for Consideration

- Will there be a demand for the amount of E notes at 2% interest rate?
- In Scenario 2, the weighted average AMI rents are at 128%. Approximately 40% of the units will be priced at the 120%-155% AMI range. It is unclear if the market will support rent levels at this range for studio and one-bedroom units. It may be necessary to reduce the average weighted AMI to 110% of AMI resulting in the need for additional funding.
- Is the rent spread from studios to one bedroom to two-bedroom units the appropriate spread?
- Construction cost increases have moderated, but that could still be an issue that impacts project costs.
- There is still continued volatility with interest rates.

KURA Financial Projections and Agency Funding Options

Attachment B provides the revenue projections for the Agency through 2030. In summary, the Agency has approximately \$5 million in unallocated funds. Between FY25 and FY30, the Agency has close to \$11 million dollars in net funds. The annual amounts range from \$1.3 to \$2.3 net

funds available for projects. The KURA has the financial capacity to provide funding for the project and provide funding for city infrastructure projects.

For the project, the Agency has the ability to provide a combination of lump sum and on-going funding towards eligible expenses to assist with the \$3.5-\$8.0 million funding gap for the project.

Funding Options

There are several funding options for board consideration that could assist with the project funding gap. There are two approaches to consider, one is to provide funding for eligible expenses that would reduce the overall construction cost that in turn would reduce the amount that needs to be financed thereby reducing the cost of financing and the cost of the project. The other approach is to provide funding for eligible expenses to off-set funding gap. The following are options for board consideration:

- Contributing towards traditional infrastructure improvements such as work in the public right of way.
- Contributing towards site preparation such as grading and excavation.
- Contributing towards specific permanent elements of the project such as foundation and structure because the project will be a public asset upon completion of the lease.
- Contributing towards project parking, in the event an agreement is reached to share the parking with the public when excess parking is available.
- Exploration of an affordable housing assistance payment to provide rent levels at the desired average AMI levels.

It is likely some or all of the above options will be necessary to achieve the projected funding gap.

Board Direction

At this time staff is requesting the following direction from the Board:

- What range of financial support the Agency is willing to consider?
- If there is support for financial assistance, is there a preference for one-time funding or on-going funding or a combination of both?

If the board supports financial assistance for the project, staff will work with the development team to prepare a funding approach for board consideration.

Attachments:

- A: Project Proformas
- B: KURA Revenue and Expense Projections

Attachment A

First and Washington Summary Worksheet

Development/Construction Budget

Total Site and Due Diligence	\$55,000
Total Hard Costs	\$19,021,500
Total Soft Costs	\$2,115,324
Total Contingency	\$1,156,841
Total Professional Fees	<u>\$1,233,586</u>
TOTAL PROJECT COST WITHOUT FINANCING	\$23,582,251
Total Financing Costs	<u>\$2,354,079</u>
TOTAL PROJECT COST WITH CONSTRUCTION FINANCING	\$25,936,330
Total Bond Financing Costs	<u>\$2,669,786</u>
TOTAL PROJECT COST WITH FINANCING	\$28,606,117

Operating Expenses

Payroll	\$141,175	\$2,139
Utilities	\$26,862	\$407
Unit Turn/Make Ready	\$11,400	\$173
Contracted Services	\$34,220	\$518
Repairs & Maintenance	\$5,550	\$84
Marketing	\$40,940	\$620
General & Administrative	\$18,740	\$284
Management Fees	\$49,925	\$756
Property Insurance	\$23,100	\$350
Property Taxes - Residential	\$0	\$0
Total Residential Operating Expenses	<u>\$351,912</u>	<u>\$5,332</u>

Debt Service and Resulting Rents

Assumed occupancy rate	95%
Assumed debt service coverage ratio	105%

	Annual Debt Service	Resulting weighted average rental AMI	Approximate Resulting Financial Gap	Approximate Annual Financial Gap
Debt Service on double tax exempt bonds at 4%	\$951,809	105%		
Debt Service on double tax exempt bonds at 5.4%	\$1,242,853	128%	\$3,500,000	\$180,352
Debt Service on double tax exempt bonds at 6.25%	\$1,423,205	142%	\$8,000,000	\$471,396

Attachment B

KURA Summary Financials	Historical												Projected						
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
Tax Increment Revenue	631,188	674,391	756,661	877,474	1,031,616	1,167,240	1,414,371	1,656,375	1,762,498	1,870,533	2,116,188	2,163,309	2,228,091	2,361,776	2,503,483	2,653,692	2,812,914	2,981,688	3,160,590
Debt Service	371,347	385,530	398,668	411,453	423,319	429,555	444,655	456,372	459,120	292,987	519,436	526,555	542,206	541,706	539,481	541,461	537,381	542,506	541,306
Net Revenue	259,841	288,861	357,993	466,021	608,297	737,685	969,716	1,200,003	1,303,378	1,577,546	1,596,752	1,636,754	1,685,885	1,820,070	1,964,002	2,112,231	2,275,533	2,439,182	2,619,284
OPA Payments													200,000	138,000	138,000	134,500	126,500		
Operating Expenses													299,600	299,600	299,600	299,600	299,600	299,600	299,600
Future Expenses													820,000						
Net Funds Available													1,186,285	1,382,470	1,526,402	1,678,131	1,841,433	2,139,582	2,319,684
Infrastructure Projects													3,000,000						
Undesignated Fund Balance													5,000,000						
Growth in Increment		6.8%	12.2%	16.0%	17.6%	13.1%	21.2%	17.1%	6.4%	6.1%	13.1%	2.2%	3.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

10,887,702 Total Net Funds