



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

**Monday, March 09, 2026 at 4:00 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 KURA 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:

Join us via Zoom (*please mute your device until called upon*).

Join the Webinar: <https://ketchumidaho-org.zoom.us/j/81467550796>

Webinar ID: **814 6755 0796**

Join us at City Hall.

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: By Chair Tyler Davis-Jeffers

ROLL CALL: Pursuant to Idaho Code 74-204(4), all agenda items are action items, and a vote may be taken on these items.

COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS:

1. Public Comments submitted

CONSENT CALENDAR:

ALL ACTION ITEMS - The Board of Commissioners is asked to approve the following listed items by a single vote, except for any items that a board member asks to be removed from the Consent Agenda and considered separately.



- [2.](#) Recommendation to approve minutes of February 4, 2026, ****SPECIAL MEETING**** KURA Meeting - Secretary Trent Donat
- [3.](#) Recommendation to approve payment of bills - Treasurer Brent Davis
- [4.](#) Approve Resolution 26-URA02 - 2025 Annual Report to be submitted to the State of Idaho - Treasurer Brent Davis
- [5.](#) Recommendation to approve Resolution 26-URA03 establishing regular 2026 KURA meeting dates - Secretary Trent Donat

NEW BUSINESS:

- [6.](#) Request for Board Direction regarding reimbursement agreement for Sun Valley Dental Arts PLLC (620 First Avenue North) - Executive Director Jade Riley
- [7.](#) Request for Board Direction regarding reimbursement agreement for Trail Creek Fund LLC (300 River Street) - Executive Director Jade Riley
- [8.](#) Recommendation to modify parking regulations at First and Washington - Secretary Trent Donat & Executive Director Jade Riley
- [9.](#) Briefing on proposed Town Square upgrades - Executive Director Jade Riley
- [10.](#) Review FY27 budget development process/dates - Treasurer Brent Davis
11. Discussion regarding date/scope for joint meeting with City Council - Executive Director Jade Riley

ADJOURNMENT:



Public Comment To The Ketchum City Council
Re: Public Right Of Way

Dear Mayor Prekeges, Members Of The Ketchum City Council And City Staff,

The Ketchum Business Advisory Coalition (KBAC) supports a one-year pilot program to convert the 1st and Washington parking lot to unrestricted all-day parking, and we thank Mayor Prekges, City Council and City staff for continuing to review parking management, while making adjustments as needed.

Designating this lot for all-day use would provide an appropriate option for employees and visitors who need longer-term parking, helping free up short-term spaces closer to businesses for customers. A one-year trial is a practical way to evaluate how this change affects parking availability and downtown access.

Thank you for considering this approach to better balance the needs of businesses, employees, and visitors to our downtown area.

Sincerely,

The KBAC Board Of Directors

Amy Weyler

Bronwyn Nickel

Cindy Forgeon

Dave Wilson

Dillon Witmer

Duffy Witmer

Holly Mora

Jed Grey

Jim McLaughlin

Julie Johnson

Scott Curtis

Tom Nickel





Meeting Minutes of the KURA Meeting

Wednesday, February 04, 2026

4:00 p.m.

Ketchum City Hall

CALL TO ORDER:

Tyler Davis-Jeffers called the meeting to order. (00:00:20 in video)

ROLL CALL:

Present:

- Board Member—Casey Burke
Board Member—Dillon Witmer
Board Member—Mason Frederickson
Board Member—Randy Hall
Board Member—Tripp Hutchinson
Vice Chair—Tyler Davis-Jeffers
Board Chair—Susan Scovell

Absent:

Tracie Smith

Other attendees:

- Abby Germaine—ARCH Attorney (remote)
Brady Workman—Workman & Co (remote)
Brent Davis—KURA Treasurer
Harry Griffith—Executive Director Sun Valley Economic Development
Jade Riley—City Administrator
Mel Jackson—Incoming Executive Director, Sun Valley Economic Development
Trent Donat—City Clerk and KURA Secretary (remote)

COMMUNICATION FROM THE BOARD MEMBERS: (00:03:05 in video)

NEW BUSINESS:

2. Recommendation to approve minutes of January 07, 2026 **Special Meeting** KURA

Presented by: Trent Donat (00:12:00 in video)

Motion to approve minutes of January 07, 2026 **Special Meeting** (00:12:16 in video)

Motion made by: Casey Burke

Second: Tripp Hutchinson

Ayes: All in favor

Result: Motion Passes

3. Recommendation to approve payment of KURA Bills

Presented by: Brent Davis (00:12:40 in video)

Motion to approve payment of KURA bills (00:12:51 in video)

Motion made by: Mason Frederickson

Second: Tripp Hutchinson

Ayes: All in favor

Result: Motion Passes

4. Recommendation to approve FY 2025 audit and financial statements

Presented by: Brent Davis (00:13:05 in video)

Motion to accept and approve FY 2025 audit and financial statements (00:17:44 in video)

Motion made by: Tripp Hutchinson

Second: Mason Frederickson

Ayes: All in favor

Result: Motion Passes

6. 2026 Board Organizational items

Presented by: Jade Riley (00:18:02 in video)

a. 2026 regular KURA meeting day/times

b. Election of Officers

c. Discussion regarding the need for a future strategic planning session and joint meeting with the City Council

Motion to nominate Tyler Davis-Jeffers to be the chair of the URA, to nominate Casey Burke to be the vice chair of the URA, and to continue current makeup for treasurer (00:21:48 in video)

Motion made by: Tripp Hutchinson

Second: Randy Hall

Ayes: All in favor

Result: Motion Passes

Comments and discussion by the board and staff on item c. (00:22:40 in video)

Dillion Witmer left the meeting (01:00:00 in video)

Comments and discussion by the board and staff on item c. (01:00:10 in video)

5. Quarterly Sun Valley Economic Development Check-In

Presented by: Harry Griffith and Mel Jackson (01:06:05 in video)

Tripp Hutchinson left the meeting (01:07:28 in video)

Comments and discussion by the board and staff (01:11:27 in video)

ADJOURNMENT:

Motion to adjourn. (01:20:35 in video)

Motion made by: Mason Frederickson

Second: Casey Burke

Ayes: All in favor

Result: Adjourned

Tyler Davis-Jeffers, Board Chair

ATTEST:

Trent Donat, KURA Secretary

Report Criteria:

Invoices with totals above \$0 included.
Paid and 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			
ELAM & BURKE	219703	General Representation	1,568.00
98-4410-8801 REIMBURSE CITY GENERAL FUND			
City of Ketchum	9641	Salaries and Benefits	9,511.15
City of Ketchum	9660	Salaries and Benefits	9,511.15
Total URBAN RENEWAL EXPENDITURES:			20,590.30
URA DEBT SERVICE EXPENDITURES			
98-4800-8450 DEBT SRVC ACCT INTRST-2021			
ZIONS BANK CC	0001010000638	Interest on 000101000638245 Loan	22,207.06
Total URA DEBT SERVICE EXPENDITURES:			22,207.06
Total URBAN RENEWAL AGENCY:			42,797.36
Grand Totals:			42,797.36



Ketchum Urban Renewal Agency

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

March 9, 2026

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO RECEIVE PUBLIC COMMENT AND ADOPT RESOLUTION 26-URA02 APPROVING THE 2025 ANNUAL REPORT FOR THE KETCHUM URBAN RENEWAL AGENCY

Introduction/History

Each year the KURA must adopt an annual report and then transmit the report to the City of Ketchum and State of Idaho and the Series 2021 Bond Holders by March 31st.

Notice was published March 4, 2026 in the Mountain Express. The notice provided a link to the Annual Report and requested public comment identifying March 9, 2026 as the date for Board action. Notice was also posted on the KURA website providing the opportunity for comment.

Once the Board has approved the Annual Report, notice of the report filing and availability will be published in the Mountain Express. The document will be transmitted to the required agencies and posted on the KURA website.

Recommendation and Motion

Staff recommends the Board receive any public comment and then approve the following motion:

“I move to approve Resolution 26-URA02 approving the 2025 Annual Report for the Ketchum Urban Renewal Agency and direct staff to file the report to required agencies/stakeholders.”

Attachments: Resolution 26-URA02
2025 KURA Annual Report
Notice of Filing the Annual Report
Legal Publish of Public Hearing for 2025 Annual Report

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, TO BE TERMED THE “ANNUAL REPORT RESOLUTION,” APPROVING THE ANNUAL REPORT OF THE URBAN RENEWAL AGENCY, FOR CALENDAR YEAR 2025; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT WITH THE CITY AND IDAHO STATE CONTROLLER; DIRECTING THE CHAIR OR EXECUTIVE DIRECTOR TO FILE SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, Idaho, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the “Law”) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the “Act”), 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;

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 Ketchum Urban Renewal Plan 2010 (the “2010 Plan”);

WHEREAS, pursuant to Idaho Code Section 50-2006(5)(c), the Agency is required to prepare an annual report and file the annual report with the City Clerk and the Idaho State Controller, on or before March 31 of each year;

WHEREAS, pursuant to Idaho Code Section 50-2006(5)(c), the Agency Executive Director prepared the annual report of the Agency’s activities for calendar year 2025, a copy of which report is attached hereto as **Exhibit A** and incorporated herein by reference;

WHEREAS, the Agency Board reviewed and tentatively approved the draft annual report at the March 9, 2026, Board meeting and directed that the report be made available and notice of availability be posted on the Agency’s website;

WHEREAS, on March 9, 2026, pursuant to Section 50-2006(5)(c), Idaho Code, the

Agency held an open public meeting, properly noticed, to report the findings in the annual report and to take comments from the public at the Ketchum City Hall, 191 5th Street West, Ketchum, Idaho, on the proposed annual report.

WHEREAS, following the public comment portion of the March 9, 2026, meeting the Agency Board reviewed and approved the annual report for calendar year 2025.

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 annual report attached hereto as **Exhibit A** and the notice of filing the annual report attached hereto as **Exhibit B** are hereby approved and adopted by the Agency Board.

Section 3: That the Board Chair or Agency Executive Director shall submit said annual report to the city of Ketchum, Idaho, and the Idaho State Controller as soon as possible after the meeting on March 9, 2026.

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 March 9, 2026. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on March 9, 2026.

APPROVED

By _____
Chair

ATTEST:

By _____
Secretary

4864-5803-8094, v. 1

2025

Ketchum Urban Renewal Agency Annual Report



Executive Director: Jade Riley
Treasurer: Brent Davis
Secretary: Trent Donat



2025 ANNUAL REPORT

This 2025 Annual Report of activities of the Ketchum Urban Renewal Agency is filed pursuant to Idaho Code Section 50-2006(5)(c).

The Ketchum Urban Renewal Agency was established by Ketchum Ordinance Number 980, approved by the Ketchum City Council on April 3, 2006. The Agency is charged with implementing the projects identified by the City of Ketchum and adopted by the City Council in the Ketchum Urban Renewal Plan. This Plan is a legal document which gives the Agency the powers, duties, and obligations to implement a program of redevelopment and revitalization within the "Revenue Allocation Area."

The 2025 Board of Commissioners:

- Board Chair Susan Scovell
- Commissioner Tyler Davis-Jeffers
- Commissioner Casey Burke
- Commissioner Gary Lipton (Last Meeting Date 7/17/25)
- Commissioner Mason Fredrickson
- Commissioner Amanda Breen
- Commissioner Courtney Hamilton

This 2025 Annual Report was prepared by the KURA Treasurer and staff.

The 2025 activities and accomplishments of the Ketchum Urban Renewal Agency are as follows:

BUDGET SUMMARY

The Board approved a motion to adopt Resolution No. 24-URA09, The Annual Appropriation Resolution appropriating sums of money authorized by law and deemed necessary to defray all expenses and liabilities of the Urban Renewal Agency, for the Fiscal Year commencing October 1, 2024, and ending September 30, 2025, for all general, special, and corporate purposes; directing the Executive Director to submit said budget; and proving an effective date.

An audited financial statement for the Ketchum Urban Renewal Agency setting forth its assets, liabilities, income, and operating expenses as of the end of FY 2025 (*October 2024 through September 2025*), is attached as Exhibit A, the FY 2025 Budget is attached as Exhibit B, and a summary of FY 2025 budget and expenditures is attached as Exhibit C.

ACTIONS TAKEN BY THE BOARD

In 2025 the primary focus of the Agency consisted of work and actions related to the public infrastructure projects.

Public Infrastructure. The Board funded the following projects:

- \$947,363 Ketchum Community Development (Bluebird Housing Project)
- \$50,000 contribution to the City of Ketchum (Bike Network)
- \$60,000 contribution to the City of Ketchum (Town Square Design)
- \$500,000 contribution to the City of Ketchum (Sidewalk Infrastructure)
- \$94,079 contribution to the City of Ketchum (Forest Service Park Renovation)
- \$60,000 contribution to the City of Ketchum (Main Street)
- \$157,696 Ketchum Community Development (ROW Improvements)

The following reflects the actions taken by the Board in 2025.

January 27, 2025 Meeting

- Motion to approve one path including underground parking on First & Washington Design Review Plans and Amendment to the Development and Disposition Agreement Project Schedule.
- Discussion to draw up a reimbursement agreement for Public Improvements Located at 380 N first Avenue by Corey Street Mass, LLC.

February 24, 2025 Meeting

- Discussion and Direction on the Operation and Management of the First and Washington Parking Lot During the FIS World Cup Finals.

February 24, 2025 Special Joint Meeting of the KURA and Ketchum City Council

- Request for policy direction regarding financing strategy for a public parking garage within the First and Washington Project and next steps.

March 17, 2025 Meeting

- Motion to approve 2024 KURA Financial Statement and Audit.
- Motion to Terminate the First & Washington Development and Disposition Agreement and Related Commitments.
- Motion to authorize the chair to sign a letter identifying KURA’s intent to collaborate with Wood River Community Housing Trust for potential eligible public infrastructure funding associated with the South YMCA and Lift Tower Lodge.
- Motion to adopt Resolution 25-URA01 approving the annual report of the Ketchum Urban

Renewal Agency for Calendar Year 2024.

- Motion to approve \$500,000 for the proposed sidewalk improvements and direct staff to prepare a reimbursement agreement with the City.

April 21, 2025 Meeting

- Motion to accept Resolution 25-URA02 approving Reimbursement Agreement #50095 for public improvements adjacent to 120 4th Street East.
- Review and provide direction to staff on FY 2026 proposed Capital Projects and 5-Year KURA Capital Improvement Budget.
- Review and approve proposed improvements and funding for the First and Washington Parking Lot.

May 19, 2025 Meeting

- Motion to approve Jade Riley as the KURA Executive Director.
- Recommendation to approve Resolution 25-URA03 approving Agreement #50096 Mutual Termination and Release agreement between KURA and First and Washington LLC.
- Recommendation to approve License Agreement #50097 between KURA and the City of Ketchum for Operation and Use of First and Washington Public Parking Lot.

June 16, 2025 Meeting

- Review and direction on Proposed FY26 Budget and KURA Capital Improvement Plan.
- Discussion and direction to staff on the process and options for future use of First and Washington Parking Lot.

July 17, 2025 Special Meeting

- Review and approval to publish FY 2026 KURA budget.

August 18, 2025 Meeting

- Presentation of the Quarterly Sun Valley Economic Development (SVED) Update.
- Recommendation to hold Public Hearing and Approve FY 2026 Budget and Adopt Resolution 25 URA04 – the FY 2026 Annual Appropriation Resolution.
- Motion to approve FY 2026 and Adopt Resolution 25-URA04 – The FY 2026 Annual Appropriation Resolution.
- Motion to move the KURA meetings to the first Wednesday of the month at 4 PM effective September 01, 2025.

August 25, 2025 Special Meeting

- Motion to authorize up to \$250,000 for the Warm Springs Preserve and return with a formal reimbursement for payment.

October 1, 2025 Special Meeting

- Motion to refund the deposit (\$10,000) to Wood River Community Housing Trust related to Development Agreement #50082 (First and Washington).
- Operational and project update.
- Review of fiscal year to date financial statement.

November 5, 2025 Special Meeting

- Motion to approve Resolution 25URA05-2026 Meeting Dates.
- Motion to approve Treasury Reports.
- Motion to approve Resolution 25URA06-Closeout of FY2025 City reimbursement items.
- Motion to instruct staff to develop a reimbursement agreement with ARCH Community

Housing Trust and return for board consideration.

- Request for Board direction regarding the reinstatement agreement (OPA) with Harriman Hotel.
- Feedback from Board Members regarding walking tour of planned capital projects and FY 2025 Work Plan.

December 3, 2025 Special Meeting

- Request for Board direction regarding request for reimbursement of public amenities at Bluebird Community Village.
- Discussion regarding open board seats and FY 2026 work plan items.

December 15, 2025 Special Meeting

- Executive Session.
- Motion to approve reimbursement to the developers of Bluebird Community Village in the amount of \$157,699.66 for improvements done to the public right-of-way. *(later reduced by \$4.00 due to an administrative correction)*

ATTACHMENTS:

- A: FY 2025 Audit
- B: FY 2025 Adopted Budget
- C: FY 2025 Financial Statement

KETCHUM URBAN RENEWAL AGENCY

KETCHUM, IDAHO

**Financial Statements
at September 30, 2025**

**KETCHUM URBAN RENEWAL AGENCY
KETCHUM, IDAHO**

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INDEPENDENT AUDITOR'S REPORT

December 22, 2025

To the Board of Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

Opinions

We have audited the accompanying financial statements of the governmental activities of the Ketchum Urban Renewal Agency, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Ketchum Urban Renewal 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 of the Ketchum Urban Renewal Agency, as of September 30, 2025, 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. 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 Ketchum Urban Renewal 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, and for 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 Ketchum Urban Renewal 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.

Auditor's Responsibility

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 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 judgement made by a reasonable user based on the financial statements.

Report Continued—

In performing an audit in accordance with generally accepted 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 Ketchum Urban Renewal 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 Ketchum Urban Renewal 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 planning 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 management's discussion and analysis and budgetary comparison information on page 15 be presented to supplement the basic financial statements. Management has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a 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, or historical context. Our opinion on the basic financial statements is not affected by this missing information. 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ketchum Urban Renewal Agency's basic financial statements. The schedule of long-term debt payments on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of long-term debt payments is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of long-term debt is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the Ketchum Urban Renewal Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

Workman & Company

Certified Public Accountants
Twin Falls, Idaho

KETCHUM URBAN RENEWAL AGENCY
Statement of Net Position
at September 30, 2025

	<u>Total Primary Government</u>	<u>Total Reporting Entity</u>
<u>ASSETS</u>		
Cash and Deposits	\$ 6,080,524	\$ 6,080,524
Accounts and Property Tax Receivable	30,689	30,689
Total	6,111,213	6,111,213
Capital Assets:		
Land, Buildings and Improvements	7,663,136	7,663,136
Fourth Street Corridor Improvements	1,000,000	1,000,000
Total	8,663,136	8,663,136
Less Accumulated Depreciation	(365,834)	(365,834)
Total Capital Assets	8,297,302	8,297,302
Total Assets	14,408,515	14,408,515
<u>LIABILITIES</u>		
Accrued Interest Payable	1,851	1,851
Long-term Liabilities:		
Portion due or payable within one year:		
Bonds Payable	495,067	495,067
Portion due or payable after one year:		
Bonds Payable	2,072,222	2,072,222
Unamortized Pre-Issuance Bond Costs	(22,389)	(22,389)
Total Liabilities	2,546,751	2,546,751
<u>NET POSITION</u>		
Invested in Capital Assets - net of related debt	5,750,551	5,750,551
Restricted For:		
Capital Projects	0	0
Debt Service	0	0
Affordable Housing	195,514	195,514
Unrestricted	5,915,699	5,915,699
Total Net Position	\$ 11,861,764	\$ 11,861,764

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Statement of Activities
For the Year Ended September 30, 2025

<u>Activities:</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenues and Changes in Net Position</u>	
<u>Governmental:</u>	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
General Government	\$ 252,713	\$ 3,000	\$ 0	\$ (249,713)	\$ (249,713)
Contributions to City of Ketchum	95,895			(95,895)	(95,895)
Total Governmental Activities	348,608	3,000	0	(345,608)	(345,608)
General Revenues:					
Property Taxes				2,700,848	2,700,848
Penalty and Interest on Taxes				29,876	29,876
Refunds and Reimbursements				2,325	2,325
Interest				251,519	251,519
Total general revenues and transfers				2,984,568	2,984,568
Changes in net position				2,638,960	2,638,960
Net Position - Beginning				9,222,804	9,222,804
Net Position - Ending				\$ 11,861,764	\$ 11,861,764

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Balance Sheet
Governmental Funds
at September 30, 2025

	Total Governmental Funds
ASSETS:	
Cash and Cash Equivalents	\$ 6,080,524
Taxes Receivable	29,597
Due From Other Sources	<u>1,092</u>
Total Assets	<u>\$ 6,111,213</u>
LIABILITIES:	
Accounts and Accrued Payables	\$ <u>0</u>
Total Liabilities	<u>0</u>
FUND BALANCE:	
Non-spendable	0
Restricted	0
Committed	0
Assigned	6,111,213
Unassigned	<u>0</u>
Total Fund Balance	<u>6,111,213</u>
Total Liabilities and Fund Balance	6,111,213
Amounts reported for governmental activities in the Statement of Net Position (page 3) are different because:	
Government fund capital assets are not financial resources and therefore are not reported in the funds. The costs of assets is \$ 8,663,136 and the accumulated depreciation is \$ 365,834	8,297,302
Bond discounts and pre-issuance costs are not financial resources and therefore are not reported in the funds.	22,389
Long-term liabilities, including bonds, compensated absences and loans are not payable in the current period and therefore are not reported in the governmental funds	<u>(2,569,140)</u>
Net Position of Governmental Funds	<u>\$ 11,861,764</u>

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
for the year ended September 30, 2025

	<u>Total Governmental Funds</u>
REVENUE:	
Tax Levy Revenue	\$ 2,730,724
Rent Revenue	3,000
Refunds and Reimbursements	2,325
Interest Income	<u>251,519</u>
Total Revenue	<u>2,987,568</u>
EXPENDITURES:	
Office Expense	
Professional Fees	24,153
Advertising and Publications	500
Insurance	6,270
Administration	9,232
Repairs	0
Reimburse Ketchum City - General	95,895
Reimburse Ketchum City - In Lieu Housing	0
Capital Projects	1,088,019
Debt service	<u>541,706</u>
Total Expenditures	<u>1,765,775</u>
EXCESS REVENUE (EXPENDITURES)	1,221,793
FUND BALANCE - BEGINNING	<u>4,889,420</u>
FUND BALANCE - ENDING	<u><u>\$ 6,111,213</u></u>

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
for the year ended September 30, 2025

Net Change in Fund Balance - Total Governmental Funds (Page 6)	\$ 1,221,793
--	--------------

Governmental funds report capital outlays as current year expenditures. In the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of current capital outlay for new fixed assets.

This is the amount of current year depreciaton.	(155,776)
---	-----------

This is the amount of current year amortization.	(4,263)
--	---------

This is the amount of new Governmental Fund assets.	1,088,019
---	-----------

Long term liabilities are not recorded in the Governmental funds.

This is the change in accrued interest on the outstanding debt.	352
---	-----

This is the amount of current year payments of long term debt	<u>488,835</u>
---	----------------

Change in Net Position of Governmental Activities (Page 4)	\$ <u>2,638,960</u>
--	---------------------

The accompanying notes are a part of these financial statements.

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The Ketchum Urban Renewal Agency (the Agency) was created for the purpose of redeveloping and rehabilitating certain deteriorating areas in the City of Ketchum, Idaho, and was established by a resolution from the Ketchum City Council dated April 3, 2006. The Agency is authorized under provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code).

The Agency is a component unit, as defined by generally accepted accounting principles, of the City of Ketchum, Idaho, because of its operational and financial responsibility with the City. The City of Ketchum appoints the governing body of the Agency.

The financial statements of the Ketchum Urban Renewal Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net position) report information on all of the non-fiduciary activities of the Agency.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The Agency's activities and general administrative services are classified as governmental activities. The Agency has no business-type activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Agency receives cash.

The Agency reports the following major governmental funds:

- The *General Fund* is the Agency's primary operating fund. It accounts for all financial resources of the Agency.

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Continued—

Budgetary Policy

The Agency prepares a budget for its general fund operations. The statement of revenues and expenditures and changes in fund balances and actual-general fund presents comparison of the legally adopted budget with the actual data on a budgetary basis.

Under Idaho Code, the Agency's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, except as allowed by the Code for certain events.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Agency because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

Capital Assets

Capital Assets, which include land, building and improvements, and furniture and equipment, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

The Agency's capital assets are being depreciated using the straight-line method over their useful lives.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Entity Classifications

- A. City-Wide Financial Statements – The Agency reports net assets in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The Agency has adopted GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) which defines how fund balances of the governmental funds are presented in the financial statements. There are five classifications of fund balances as presented below:

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Continued—

Non-spendable – These funds are not available for expenditures based on legal or contractual requirements. In this category, one would see inventory, long-term receivables, unless proceeds are restricted, committed, or assigned and legally or contractually required to be maintained intact (corpus or a permanent fund).

Restricted – These funds are governed by externally enforceable restrictions. In this category, one would see restricted purpose grant funds, debt service or capital projects.

Committed – Fund balances in this category are limited by the governments' highest level of decision making. Any changes of designation must be done in the same manner that it was implemented and should occur prior to end of the fiscal year, though the exact amount may be determined subsequently.

Assigned – These funds are intended to be used for specific purposes, intent is expressed by; governing body or an official delegated by the governing body.

Unassigned – This classification is the default for all funds that do not fit into the other categories. This, however, should not be a negative number for the general fund. If it is, the assigned fund balance must be adjusted.

Order of Use of Fund Balance – The Agency's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined.

2. PROPERTY TAXES

Property taxes are billed and collected within the same period in which the taxes are levied. The Agency does not levy property taxes; however, it is entitled to the taxes levied on the increase in assessed valuation of real and personal property within its jurisdiction that occur after January 1, 2006.

In accordance with Idaho law, property taxes are levied in September for each calendar year. All personal taxes and one-half of real property taxes are due by December 20. The second half of the real property taxes is due by June 20. Tax levies on such assessed values are certified to the County prior to the commencement of the fiscal year.

Taxes are collected by Blaine County and remitted to the Agency primarily in January and July of the fiscal year. The Agency defers recognition of property taxes assessed but not collected within 60 days of the fiscal year-end. Such amounts have been recognized as revenues as they are deemed immaterial to the financial statements taken as a whole.

3. CASH AND DEPOSITS

Deposits: Custodial credit risk, in the case of deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Agency has no deposit policy for custodial credit risk. At year end, \$ 250,000 of the Agency's bank balance was not exposed to custodial credit risk because it was insured by the FDIC and \$569,208 of deposits were exposed to custodial credit risk.

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Continued—

Investments: Custodial credit risk, in the case of investments, is the risk that in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the Agency held the following investments:

Investment Type

Idaho State Local Government Investment Pool \$ 5,526,036.

These investments are unrated external investment pools sponsored by the Idaho State Treasurer's Office. They are classified as "Investments in an External Investment Pool" and are exempt from custodial credit risk and concentration of credit risk reporting. Interest rate risk is summarized as follows: Asset-backed securities are reported using weighted average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

The elected Idaho State Treasurer, following Idaho Code, Section 67-2328, is authorized to sponsor an investment pool in which the Agency voluntarily participates. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body - oversight is with the State Treasurer, and Idaho Code defines allowable investments. All investments are entirely insured or collateralized with securities held by the Pool or by its agent in the Pool's name. And the fair value of the Agency's position in the external investment pool is the same as the value of the pool shares.

Credit Risk: The Agency's policy is to comply with Idaho State statutes which authorize the Agency to invest in obligations of the United States, obligations of the State or any taxing district in the State, obligations issued by the Farm Credit System, obligations of public corporations of the State of Idaho, repurchase agreements, tax anticipation notes of the State or taxing district in the State, time deposits, savings deposits, revenue bonds of institutions of higher education, and the State Treasurer's Pool.

Interest rate risk and concentration of credit risk: The Agency has no policy regarding these two investment risk categories.

The Agency maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Cash and Deposits."

Cash and Deposits are comprised of the following at the financial statement date:

Cash on Hand	\$	0
Deposits with financial institutions:		
Demand deposits		554,487
State of Idaho Investment Pool		<u>5,526,036</u>
Total		<u>\$6,080,523</u>

4. RESTRICTED ASSETS

In fiscal year ended September 30, 2006, the URA purchased real property formerly known as the Dollhouse located at 211 First Street in Ketchum for the sum of \$2.25 million. The down payment for the purchase of this property of \$707,914 was obtained by the URA as a transfer from the City of Ketchum's restricted In Lieu Affordable Housing Fund. Since that time, the City of Ketchum's restricted In Lieu Affordable Housing Fund has transferred to the URA an additional \$147,916 to pay interest on the debt associated with this property as well as to make necessary property repairs.

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Continued -

In fiscal year ended September 30, 2008, the URA purchased real property formerly known as the Mountain West Bank building located at Sun Valley Rd. and East Ave. in Ketchum for the sum of \$3.2 million. The down payment for the purchase of the Mountain West Bank building property of \$640,000 was obtained by the URA as a transfer from the City of Ketchum's restricted In Lieu Affordable Housing Fund.

On April 12, 2011, \$640,000 of restricted fund value was transferred to the 1st & Washington property from the Mountain West Bank Building, leaving no further restriction on the value of the Mountain West Bank Building. In 2018 the Agency donated the Mountain West property to the City of Ketchum.

The Agency and the City entered into a memorandum of understanding (MOU) to pay back the City of Ketchum \$1,460,000 over the next several years as funds are available. This amount is not accrued in the Agency's records but will be expensed when paid. Prior to this year the Agency has paid the City of Ketchum \$1,264,486 in cash and investments in affordable housing, leaving the restricted amount at \$ 195,514.

5. GENERAL FIXED ASSETS

Capital asset activity for the year ended September 30, 2025, is as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land - First & Washington	\$ 2,294,746	\$	\$	\$ 2,294,746
1st & Washington	1,474,000			1,474,000
Fourth Street Corridor Improvements	1,000,000			1,000,000
Total	<u>4,768,746</u>	<u>0</u>	<u>0</u>	<u>4,768,746</u>
<i>Capital Assets being depreciated:</i>				
Infrastructure	2,806,371	1,088,019		3,894,390
Total	<u>2,806,371</u>	<u>1,088,019</u>	<u>0</u>	<u>3,894,390</u>
Less: Accumulated Depreciation:	210,058	155,776		365,834
Total Net Depreciated Assets	<u>2,596,313</u>	<u>932,243</u>	<u>0</u>	<u>3,528,556</u>
Governmental capital assets, net	<u>\$ 7,365,059</u>	<u>\$ 932,243</u>	<u>\$ 0</u>	<u>\$ 8,297,302</u>

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Continued—

6. LONG-TERM DEBT

On August 19, 2010, the Agency sold \$ 6,440,000 of Revenue Allocation (Tax Increment) Refinancing Bonds, Series 2010. The proceeds from this bond issuance paid three notes held previously in the Agency. The bond servicing agent is U.S. Bank N.A. A summary of future payments of principal and interest follows the notes to these financial statements. The bond ordinance created restricted cash for a reserve in the amount of \$ 549,717 for payments of principal and interest in the event of default by the agency. During the year ended September 30, 2021, the Agency refunded these bonds with new Tax Increment Refunding Bonds, Series 2021. The restricted cash was used to pay down the original bond series 2010.

Long-term debt on September 30, 2025, is as follows:

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Balance</u>
Tax Increment Refunding Bonds, Series 2021:	1.73%	2026-2030	\$ 2,567,289

The following is a summary of the principal due over the next five and subsequent five-year increments:

2026	\$	495,067
2027		505,612
2028		510,279
2029		524,231
2030		<u>532,100</u>
	\$	<u>2,567,289</u>

7. LABOR AND ASSOCIATED COSTS

The Agency does not currently employ any staff and contracts with the City of Ketchum for administrative duties. Labor and associated costs are allocated to the Agency for reimbursement purposes. Because of the nature of the reimbursement, the Agency does not report any payroll or retirement liabilities.

8. LITIGATION

The Agency, at the financial statement date, is not involved in any material disputes as either plaintiff or defendant.

9. RISK MANAGEMENT

The Agency is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; injuries to the general public; and natural disasters. The Agency carries commercial insurance coverage for these risks to the extent deemed prudent by the board of commissioners.

10. 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.

**REQUIRED
SUPPLEMENTARY INFORMATION**

KETCHUM URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
General Fund
for the year ended September 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES:			
Property taxes - Tax Increment Revenues	\$ 2,376,776	\$ 2,730,724	\$ 353,948
Rent Revenue	0	3,000	3,000
Refunds and Reimbursements	0	2,325	2,325
Earnings on investments	0	251,519	251,519
	<u>2,376,776</u>	<u>2,987,568</u>	<u>610,792</u>
EXPENDITURES:			
Office Expense	100		100
Professional Fees	120,000	24,153	95,847
Advertising/Publications	500	500	0
Insurance	4,100	6,270	(2,170)
Administrative Expenses	30,600	9,232	21,368
Debt Service	541,706	541,706	0
Reimburse Ketchum City - General Expense	125,000	95,895	29,105
Reimburse Ketchum City - In Lieu Housing	0	0	0
Capital Outlay	6,235,000	1,088,019	5,146,981
	<u>7,057,006</u>	<u>1,765,775</u>	<u>5,291,231</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,680,230)</u>	<u>1,221,793</u>	<u>5,902,023</u>
NET CHANGE IN FUND BALANCE	(4,680,230)	1,221,793	\$ <u><u>5,902,023</u></u>
FUND BALANCE - BEGINNING	<u>4,889,420</u>	<u>4,889,420</u>	
FUND BALANCE - ENDING	<u><u>\$ 209,190</u></u>	<u><u>\$ 6,111,213</u></u>	

The accompanying notes are a part of these financial statements.

**OTHER
SUPPLEMENTARY INFORMATION**

KETCHUM URBAN RENEWAL AGENCY
Bond-Future Principal and Interest Requirements
at September 30, 2025

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
\$4,815,959 Tax Increment Refunding Bonds, Series 2021 1.73%				
	1.73%	2026	495,067	44,414
	1.73%	2027	505,612	35,849
	1.73%	2028	510,279	27,102
	1.73%	2029	524,231	18,275
	1.73%	2030	532,100	9,205
			\$ 2,567,289	\$ 134,845

The accompanying notes are a part of these financial statements.

2190 Village Park Avenue, Suite 300 • Twin Falls, ID 83301 • 208.733.1161 • Fax: 208.733.6100

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

December 22, 2025

To the Board of Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

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 of the Ketchum Urban Renewal Agency, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Ketchum Urban Renewal Agency's basic financial statements, and have issued our report thereon dated December 22, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ketchum Urban Renewal Agency's internal control over financial reporting (internal control) to determine the 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 Ketchum Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ketchum Urban Renewal 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 a 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ketchum Urban Renewal Agency's financial statements are free from 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 results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report Continued—

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Workman & Company

WORKMAND AND COMPANY
Certified Public Accountants
Twin Falls, Idaho



Evolution of First and Washington Property



Fiscal Year 2024-25 Operating and Capital Improvement Plan

Chair: *Susan Scovell*

Vice-Chair: Tyler Davis-Jeffers

Commissioners: *Amanda Breen, Casey Burke,
Mason Frederickson, Courtney Hamilton,
Gary Lipton*

Executive Director: *Suzanne Frick*

Treasurer: *Brent Davis*

Secretary: *Trent Donat*



Ketchum Urban Renewal Agency Fund

The purpose of the Ketchum Urban Renewal Agency Fund is to provide the financial authority to facilitate urban renewal activities within the boundaries of the Ketchum Urban Renewal District. Resolution 06-33, establishing the Ketchum Urban Renewal Agency, was adopted by the City Council on April 3, 2006. Resolution 06-34, establishing the revenue allocation area wherein urban renewal activities may occur, was adopted by the City Council on April 3, 2006. The Ketchum Urban Renewal Plan was adopted by the City Council with passage of Ordinance 992 on November 15, 2006. The Urban Renewal Plan was amended in 2010 with passage of Ordinance 1077.

FY 2024-25 Highlights

Summary: The objective of the Ketchum Urban Renewal Agency Fund is to support the capital projects to be undertaken during the fiscal year and to provide budget authority to make required principal and interest payments on the 2021 Urban Renewal Bonds.

For Fiscal Year 2024-25, the KURA will focus efforts on funding infrastructure improvements in partnership with the city of Ketchum and development of the First Street and Washington Avenue property for rent restricted workforce housing.



FY 24/25 Proposed Revenue and Expenditures

		2022	9/30/2022	2023	2023	2024	2024	2025
		Budget	Actuals	Budget	Actuals	Budget	Projected	Budget Proposed
Revenue								
98-3100-1000	TAX INCREMENT REVENUE	\$ 1,750,000	\$ 2,094,919	\$ 2,101,905	\$ 2,175,027	\$ 2,228,091	\$ 2,228,091	\$ 2,361,776
98-3100-1050	PROPERTY TAX REPLACEMENT	\$ -	\$ 13,626	\$ 6,813	\$ 15,272	\$ 12,000	\$ 12,000	\$ 12,000
98-3100-9000	PENALTY AND INTEREST ON TAXES	\$ 2,500	\$ 7,642	\$ 3,800	\$ 6,908	\$ 3,000	\$ 3,119	\$ 3,000
98-3700-1000	INTEREST EARNINGS				\$ 166,337			
98-3700-1010	INTEREST EARNINGS URA DEBT				\$ 14,230			
98-3700-2000	OTHER REVENUE (Rent)	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	
98-3700-3600	REFUNDS AND REIMBURSEMENTS				\$ 8,579			
98-3700-8000	WRCHT DEPOSIT 1ST \$ WA				\$ 10,000			
98-3800-9000	FUND BALANCE	\$ 1,078,883	\$ -	\$ 896,501	\$ -	\$ 1,762,715	\$ 1,762,715	\$ 4,680,230
	Total	\$ 2,867,383	\$ 2,152,187	\$ 3,045,019	\$ 2,432,353	\$ 4,041,806	\$ 4,041,925	\$ 7,057,006
Expenditure								
98-4410-3100	OFFICE SUPPLIES AND POSTAGE	\$ 500	\$ 17	\$ 500	\$ 24	\$ 500	\$ 100	\$ 100
98-4410-4200	PROFESSIONAL SERVICES	\$ 66,000	\$ 91,355	\$ 70,000	\$ 118,300	\$ 120,000	\$ 120,000	\$ 120,000
98-4410-4400	ADVERTISING AND LEGAL PUBLICATION	\$ 1,000	\$ 54	\$ 1,000	\$ -	\$ 1,000	\$ 500	\$ 500
98-4410-4600	LIABILITY INSURANCE	\$ 3,074	\$ -	\$ 3,074	\$ 2,969	\$ 3,000	\$ 3,414	\$ 4,100
98-4410-4800	DUES SUBSCRIPTIONS AND MEMBERS	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$ 4,600	\$ 4,600
98-4410-4900	PERSONNEL TRAINING/TRAVEL	\$ 2,000	\$ 494	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 1,000
98-4410-5000	ADMINISTRATIVE EXPNS-CITY GEN FUND	\$ 34,547	\$ 24,216	\$ 43,790	\$ 38,395	\$ 25,000	\$ 25,000	\$ 25,000
98-4410-6100	REPAIR MAINT-MACHINERY & EQ	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ -
98-4410-8801	REIMBURSE CITY GENERAL FUND	\$ 75,184	\$ -	\$ 100,000	\$ 53,175	\$ 120,000	\$ 120,000	\$ 110,000
98-4410-8852	REIMBURSE IN-LIEU HOUSING FUND	\$ -	\$ 143	\$ -	\$ -	\$ -	\$ -	\$ -
98-4410-9930	URA FUND OP CONTINGENCY	\$ 15,000	\$ -	\$ 55,000	\$ -	\$ 25,000	\$ -	\$ 15,000
	Sub Total	\$ 200,405	\$ 118,879	\$ 278,464	\$ 215,463	\$ 299,600	\$ 273,614	\$ 280,300
Capital Improvements								
98-4410-7100	INFRASTRUCTURE PROJECTS	\$ 2,000,000	\$ 276,998	\$ 2,000,000	\$ 565,244	\$ 3,000,000	\$ 2,260,000	\$ 6,095,000
98-4410-7101	LIMELIGHT OPA	\$ 150,000	\$ -	\$ 130,000	\$ -	\$ 130,000	\$ -	\$ 130,000
98-4410-7103	MISCELLANEOUS OPA	\$ 14,000	\$ 22,125	\$ 35,000	\$ 26,283	\$ 10,000	\$ 10,000	\$ 10,000
98-4410-7104	COMMUNITY LIBRARY OPA	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
98-4410-7110	ECONOMIC DEVELOPMENT PROJECTS	\$ 35,000	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
98-4410-7112	311 FIRST STREET OPA	\$ 12,000	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -
98-4410-7900	DEPRECIATION EXPENSE	\$ 16,000	\$ 15,885	\$ -	\$ 38,437	\$ -	\$ -	\$ -
98-4410-7950	AMORTIZATION COSTS	\$ 11,000	\$ 3,858	\$ -	\$ 4,121	\$ -	\$ -	\$ -
	Sub Total	\$ 2,288,000	\$ 368,866	\$ 2,240,000	\$ 684,085	\$ 3,200,000	\$ 2,330,000	\$ 6,235,000
Debt Service								
98-4800-4200	PROF SERVICES-PAYING AGENCT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98-4800-8100	DEBT SERVICE ACCT PRIN-2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98-4800-8200	BOND DEBT SERVICE RESERV-INT EXP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98-4800-8300	DEBT SERVICE ACCT INTRST-2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98-4800-8400	DEBT SERVICE ACCT PRIN-2021	\$ 240,000	\$ -	\$ 393,277	\$ 472,928	\$ 481,014	\$ 481,014	\$ 488,835
98-4800-8450	DEBT SRVC ACCT INTRST-2021	\$ 138,978	\$ 76,703	\$ 133,277	\$ 69,028	\$ 61,192	\$ 61,192	\$ 52,871
	Sub Total	\$ 378,978	\$ 76,703	\$ 526,554	\$ 541,956	\$ 542,206	\$ 542,206	\$ 541,706
Total Expenditures		\$ 2,867,383	\$ 564,448	\$ 3,045,018	\$ 1,441,504	\$ 4,041,806	\$ 3,145,820	\$ 7,057,006

Materials and Services
Detail FY 24/25



Description	FY23 Actuals	FY24 Budget	FY25 Proposed
Professional Services Attorney Auditor SVED Misc Services	\$118,300	\$120,000	\$120,000
Dues, Subscriptions, Memberships Redevelopment Assoc Of Idaho	\$2,600	\$2,600	\$4,600
Personnel Training/Travel, Meetings	\$0	\$2,000	\$1,000

Capital Outlay FY 24/25



Description	FY23 Actuals	FY24 Budget	FY25 Proposed
Infrastructure Projects	\$565,244	\$3,000,000	\$6,095,000
Owner Participation Agreements	\$76,283	\$200,000	\$140,000

Staffing FY 24/25



Position	FY23 Actual	FY24 Budget	FY25 Budget
Chairperson	1	1	1
Vice-Chair	1	1	1
Commissioners	5	5	5
Executive Director	1.0	1.0	1.0
Treasurer	0.10	0.10	0.10
Secretary	0.10	0.10	0.10
AP & Payroll	0.05	0.05	0.05
TOTAL	8.25	8.25	8.25

KURA Capital Improvement Budget FY 25-30



Ketchum Urban Renewal Agency Capital Improvement Budget

Beginning Fund Balance \$5,000,000

	Oct 2024	Oct 2025	Oct 2026	Oct 2027	Oct 2028	Oct 2029	Oct 2030	
Available Fund Balance	\$5,000,000	\$6,040,000	\$1,245,000	\$1,645,000	\$323,000	\$423,000	\$823,000	

Capital Revenue

								Total
Budgeted/Projected Funds for Capital Projects	\$3,000,000	\$1,300,000	\$1,500,000	\$1,678,000	\$1,800,000	\$2,000,000	\$2,300,000	
Subtotal (fund balance + funds available)	\$8,000,000	\$7,340,000	\$2,745,000	\$3,323,000	\$2,123,000	\$2,423,000	\$3,123,000	\$29,077,000

Capital Projects

Underground Powerlines on Main St	\$400,000							
Master Plan for Town Square	\$60,000							
Main St Pedestrian Improvements	\$1,250,000	\$80,000						
Relocate Idaho Power Equipment at 1st/WA	\$250,000							
Reimburse Bluebird for Infrastructure		\$820,000						
Infrastructure Contribution for 1st/WA		\$4,000,000		\$3,000,000				
Funding for 1st and WA Entitlement Plans		\$400,000						
Sidewalks	\$500,000		\$600,000		\$700,000	\$900,000	\$900,000	
Public Parking Options			\$500,000			\$700,000		
Parking Management		\$95,000						
Town Square Improvements								
Infrastructure for Housing (YMCA and Trail Creek Lift Tower Sites)					\$1,000,000			
Pump Park Relocation								
Ore Wagon Museum Improvements								
Bike Network Improvements		\$50,000						
Forest Service Housing Renovations		\$150,000						

Total	\$1,960,000	\$6,095,000	\$1,100,000	\$3,000,000	\$1,700,000	\$1,600,000	\$900,000
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Carry Over Funds	6,040,000	\$1,245,000	\$1,645,000	\$323,000	\$423,000	\$823,000	\$2,223,000
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CITY OF KETCHUM
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2025

URBAN RENEWAL AGENCY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>PROPERTY TAX</u>					
98-3100-1000	TAX INCREMENT REVENUE	.00	2,700,848.19	2,361,776.00	(339,072.19) 114.4
98-3100-1050	PROPERTY TAX REPLACEMENT	.00	15,272.06	12,000.00	(3,272.06) 127.3
98-3100-9000	PENALTY & INTEREST ON TAXES	.00	14,604.13	3,000.00	(11,604.13) 486.8
	TOTAL PROPERTY TAX	.00	2,730,724.38	2,376,776.00	(353,948.38) 114.9
<u>MISCELLANEOUS REVENUE</u>					
98-3700-1000	INTEREST EARNINGS	.00	225,653.22	.00	(225,653.22) .0
98-3700-1010	INTEREST EARNINGS-URA DEBT	.00	25,866.04	.00	(25,866.04) .0
98-3700-2000	RENT	.00	3,000.00	.00	(3,000.00) .0
98-3700-3600	REFUNDS & REIMBURSEMENTS	.00	2,325.00	.00	(2,325.00) .0
	TOTAL MISCELLANEOUS REVENUE	.00	256,844.26	.00	(256,844.26) .0
<u>FUND BALANCE</u>					
98-3800-9000	FUND BALANCE	.00	.00	4,680,230.00	4,680,230.00 .0
	TOTAL FUND BALANCE	.00	.00	4,680,230.00	4,680,230.00 .0
	TOTAL FUND REVENUE	.00	2,987,568.64	7,057,006.00	4,069,437.36 42.3

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2025

URBAN RENEWAL AGENCY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>URBAN RENEWAL EXPENDITURES</u>					
MATERIALS AND SERVICES:					
98-4410-3100	OFFICE SUPPLIES & POSTAGE	.00	.00	100.00	100.00 .0
98-4410-4200	PROFESSIONAL SERVICES	.00	24,153.45	120,000.00	95,846.55 20.1
98-4410-4400	ADVERTISING & LEGAL PUBLICATIO	.00	499.50	500.00	.50 99.9
98-4410-4600	LIABILITY INSURANCE	.00	6,269.50	4,100.00	(2,169.50) 152.9
98-4410-4800	DUES, SUBSCRIPTIONS, & MEMBERS	.00	9,200.00	4,600.00	(4,600.00) 200.0
98-4410-4900	PERSONNEL TRAINING/TRAVEL/MTG	.00	32.02	1,000.00	967.98 3.2
98-4410-5000	ADMINISTRATIVE EXPNS-CITY GEN	.00	.00	25,000.00	25,000.00 .0
	TOTAL MATERIAL AND SERVICES	.00	40,154.47	155,300.00	115,145.53 25.9
CAPITAL OUTLAY:					
98-4410-7100	INFRASTRUCTURE PROJECTS	.00	1,088,018.85	6,095,000.00	5,006,981.15 17.9
98-4410-7101	LIMELIGHT OPA	.00	.00	130,000.00	130,000.00 .0
98-4410-7103	MISCELLANEOUS OPA	.00	.00	10,000.00	10,000.00 .0
98-4410-7950	AMORTIZATION COSTS	.00	4,263.13	.00	(4,263.13) .0
	TOTAL CAPITAL OUTLAY	.00	1,092,281.98	6,235,000.00	5,142,718.02 17.5
OTHER EXPENDITURES:					
98-4410-8801	REIMBURSE CITY GENERAL FUND	.00	95,894.96	110,000.00	14,105.04 87.2
98-4410-9930	URA FUND OP. CONTINGENCY	.00	.00	15,000.00	15,000.00 .0
	TOTAL OTHER EXPENDITURES	.00	95,894.96	125,000.00	29,105.04 76.7
	TOTAL URBAN RENEWAL EXPENDITURE	.00	1,228,331.41	6,515,300.00	5,286,968.59 18.9

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2025

URBAN RENEWAL AGENCY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>URA DEBT SERVICE EXPENDITURES</u>					
OTHER EXPENDITURES:					
98-4800-8400 DEBT SERVICE ACCT PRIN-2021	.00	.00	488,835.00	488,835.00	.0
98-4800-8450 DEBT SRVC ACCT INTRST-2021	.00	52,518.57	52,871.00	352.43	99.3
TOTAL OTHER EXPENDITURES	.00	52,518.57	541,706.00	489,187.43	9.7
TOTAL URA DEBT SERVICE EXPENDIT	.00	52,518.57	541,706.00	489,187.43	9.7
TOTAL FUND EXPENDITURES	.00	1,280,849.98	7,057,006.00	5,776,156.02	18.2
NET REVENUE OVER EXPENDITURES	.00	1,706,718.66	.00	(1,706,718.66)	.0
	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT

DRAFT
PUBLIC NOTICE

As required by Idaho Code Section 50-2006(5)(c), the Ketchum Urban Renewal Agency has filed a report of its 2025 activities with the office of the Ketchum City Clerk and Idaho State Controller pursuant to Idaho Code Section 67-1076. The report is available for inspection during business hours in the office of the City Clerk. The report is also available on the Agency's website at <https://www.ketchumura.org/kura/page/annual-reports>.

If you have any questions, please contact Brent Davis at bdavis@ketchumidaho.org

Publish March 18, 2026.

Notice of Public Meeting
Ketchum Urban Renewal Agency

Public Notice is hereby given that the Urban Renewal Agency of Ketchum, Idaho, will meet on Monday, March 9, 2026, at 4:00 P.M. at the Ketchum City Hall, 191 5th Street W., Ketchum, Idaho, for the purpose of considering and approving the 2025 Annual Report of the Ketchum Urban Renewal Agency.

The Draft Annual Report is available for public review on the KURA website:
<https://www.ketchumura.org/kura/page/annual-reports>

Any interested party may appear and be heard upon any part or parts of said Annual Report.

Published, Idaho Mountain Express, March 4th 2026

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, TO BE TERMED THE “2026 MEETING DATES RESOLUTION,” ESTABLISHING THE DATES FOR ALL REGULAR MEETINGS OF THE URBAN RENEWAL AGENCY FOR THE REMAINING MONTHLY MEETINGS OF 2026, FOLLOWING THE EFFECTIVE DATE OF THIS RESOLUTION; APPROVING THE NOTICE OF ITS REGULAR MEETING SCHEDULE; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, Idaho, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the “Law”) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the “Act”), 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;

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 Ketchum Urban Renewal Plan 2010 (the “2010 Plan”);

WHEREAS, pursuant to Idaho Code section 74-204(1), any public agency that holds meetings at regular intervals of at least once per calendar month scheduled in advance over the course of the year may satisfy this meeting notice by giving meeting notices at least once each year of its regular meeting schedule;

WHEREAS, regular meetings of the Ketchum Urban Renewal Agency shall be held on the second Monday of each month at 4:00 p.m. Mountain Time at Ketchum City Hall, unless such date is a holiday, in which case the meeting shall be held on the following Tuesday;

WHEREAS, the Agency Board reviewed and approved the 2026 Ketchum Urban Renewal Agency Regular Meeting Schedule at the March 9, 2026, Board meeting and directed that notice of its regular meeting schedule be given via the methods prescribed in Idaho Code section 74-204(1); namely, by posting such notices and agendas in a prominent place at the

principal office of the public agency or, if no such office exists, at the building where the meeting is to be held. The notice for meetings and agendas shall also be posted electronically on the Agency’s website;

WHEREAS, the Board of the Ketchum Urban Renewal Agency (“Agency Board”) has determined that listing all regular meetings to be held in the remaining months of 2026, following the effective date of this Resolution, would be beneficial to the residents of and visitors to the City of Ketchum.

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 following 2026 Ketchum Urban Renewal Agency Meeting Schedule is hereby approved by the Agency Board.

2026 KURA Regular Meeting Schedule

- April 13, 2026
- May 11, 2026
- June 8, 2026
- July 13, 2026
- August 10, 2026
- September 14, 2026
- October 13, 2026 (Tuesday)
- November 9, 2026
- December 14, 2026

Section 3: That notice of the 2026 Ketchum Urban Renewal Agency Meeting Schedule shall be posted in a prominent place at Ketchum City Hall. Notice shall also be posted electronically on the Agency’s website.

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 March 9, 2026. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on March 9, 2026.

APPROVED

By _____
Chair

ATTEST:

By _____
Secretary

4864-5803-8094, v. 1



Ketchum Urban Renewal Agency

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

March 9, 2026

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

Request for Board direction regarding reimbursement agreement for Sun Valley Dental Arts LLC (620 First Avenue North)

Introduction/History

On October 15, 2018, the URA Board approved a reimbursement agreement for the installation of public infrastructure associated with a mixed-use private development project at 620 First Avenue North. The project and associated improvements were completed, and the building received its certificate of occupancy on November 20, 2020.

On November 20, 2023, the applicant approached staff seeking reimbursement and response was given but no follow-up occurred. On December 5, 2025, the applicant approached staff seeking reimbursement and the attached letter was transmitted from agency legal counsel denying the request as it was not consistent with the agency's reimbursement policies. Staff did inform the applicant that this matter would be scheduled for an upcoming board meeting to determine if an exception was warranted.

Financial Requirement/Impact

The not-to-exceed amount for the reimbursement is \$83,498.

Recommendation/Motion

Staff is seeking direction from the Board as to whether an exception of agency policy is warranted.

Attachments

1. November 20, 2023, email from Executive Director to applicant
2. December 10, 2025, letter from Elam Burke to applicant
3. Board resolution and reimbursement agreement
4. Site plan

From: [Suzanne Frick](#)
To: [Ben Franz](#); [Michael Pogue](#)
Subject: RE: Kura reimbursement
Date: Monday, November 20, 2023 7:43:00 PM
Attachments: [50016 - Reimbursement Participation Agreement - Sun Valley Dental.pdf](#)

Hi Ben—

Thank you for your inquiry. I have no record of you, Jack Rutherford or any other representative contacting me about your reimbursement agreement. I understand you may have reached out to Morgan Landers earlier this year and she recommended you contact me directly. This is the first communication I've had from anyone on your team about KURA reimbursement.

I've attached a copy of the agreement you entered into with the KURA for reimbursement of the expenses. The agreement outlines the steps and process for obtaining reimbursement. The process starts with you submitting the required documentation to get the ball rolling.

To obtain reimbursement, you are obligated to submit receipts from your contractor verifying the actual costs of the agreed upon improvements along with other documentation such as property tax receipts. Reimbursement payments are made annually for 5 years after issuance of the certificate of occupancy based on the tax increment generated by the project. We also need verification your project complies with the community housing obligation since this was part of the justification for the reimbursement.

The agreement states you were to submit documentation within 30 days of the completion of the project verifying the improvements eligible for reimbursement were completed along with cost receipts. It appears the certificate of occupancy was issued 11/20/20. We'll have to sort out this issue along with the fact that reimbursement is to occur annually after the project is completed. Reimbursement does not occur in a lump sum.

Please review the agreement and let me know if you have any questions. I'm happy to assist.

Regards,
Suzanne

SUZANNE FRICK | KETCHUM URBAN RENEWAL AGENCY

KURA Executive Director

P.O. Box 2315 | 191 Fifth St. W. | Ketchum, ID 83340

o: 208.727.5086 | m: 208.721.2765

sfrick@ketchumidaho.org | www.ketchumura.org

From: Ben Franz <benfranz4@gmail.com>

Sent: Monday, November 20, 2023 4:07 PM

To: Michael Pogue <MPogue@gravislaw.com>; Suzanne Frick <sfrick@ketchumidaho.org>

Subject: Kura reimbursement

Susanne,

I am writing to get an explanation and reasoning as to why no efforts have been made by the city of Ketchum to reimburse me for the kura requirements that I paid for for the 100 7th street building. I have called and left messages several times with no response. My representatives have contacted you as well to no avail. Jack Rutherford has contacted you or your office on several occasions and has not heard anything. Please let me know what I need to do to be reimbursed for the work that was done that I paid for. Thank you,

Ben Franz
208-629-9033

--

Ben Franz



Abigail R. Germaine

251 E. Front St., Ste. 300, Boise, ID 83702
T: (208) 343-5454 | E: arg@elamburke.com
www.elamburke.com

December 10, 2025

VIA EMAIL: benfranz4@gmail.com

Dr. Benjamin R. Franz
Sun Valley Dental Arts PLLC
P.O. Box 765
Ketchum, ID 83340

RE: Correspondence to Ketchum Urban Renewal Agency dated December 5, 2025;
Reimbursement Participation Agreement #50016 - November 2018

Dear Mr. Franz:

Elam & Burke represents the Ketchum Urban Renewal Agency (“KURA”). We are in receipt of your letter dated December 5, 2025. This response is provided on behalf of KURA.

In your letter dated December 5, 2025, you demand payment for invoices related to the Sun Valley Dental Arts Ketchum, Idaho Building project. Presumably, although not referenced in your December 5, 2025 letter, this payment request is made pursuant to the Reimbursement Participant Agreement #50016 (“Agreement”), dated November 26, 2018, executed between Sun Valley Dental Arts PLLC (“SVDA” or “Participant”) and KURA. See Exhibit A attached. As described in detail below, the Agreement is no longer valid based on expiration of its five year term, nor did SVDA satisfy the terms and conditions of the Agreement which are conditions precedent to reimbursement. Therefore, KURA will not be providing reimbursement pursuant to the Agreement.

Pursuant to the terms of the Agreement, KURA agreed to reimburse SVDA the cost of certain eligible public infrastructure, shown in Exhibit B of the Agreement, contingent on various terms and conditions as set forth in the Agreement. Specifically, the Agreement sets forth in Section 2 that, “[t]he Parties agree that the improvement project is depicted on Exhibit A, with costs estimates for eligible items described in the Schedule of Eligible Costs in Exhibit B (“Estimated Eligible Costs”). Any other public improvements that are constructed by the Participant *are not eligible for reimbursement.*” (emphasis added). The Agreement also specifies in Section 6, that in no event will the Actual Eligible Costs available for reimbursement exceed \$83,500.

KURA's obligation to reimburse any Actual Eligible Costs of construction was expressly contingent upon certain terms and conditions which were not satisfied by SVDA. Those terms include but are not limited to:

- 1) Section 4 – *“Upon completion of construction, Participant shall notify Agency in writing and request a final construction inspection and/or meeting with Agency to determine if the Improvement Project meets the requirements of this Agreement.”*

KURA never received written notice of completion and a request for final construction inspection.

- 2) Section 5 – *“Participant shall provide appropriate documentation (“Cost Documentation”) to Agency that Participant has expended funds for eligible costs in order to receive payment per the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant’s notification to Agency that construction of the Improvement Project is complete and shall include:*
 - a. *Schedule of values that includes line items for the Improvement Project improvements approved by Agency for reimbursement so they are identifiable separate from other line items (“Schedule of Values”).*
 - b. *Invoices from Participant’s general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g. excavation, material fill, pavement, etc.). Invoices shall specify quantities and unit costs of materials, and a percentage estimate of how much material was used for the Improvement Project in comparison to the amount used for the remainder of Participant’s project (“Invoices”).*
 - c. *Explanation of any significant deviation between the initial cost estimates in Exhibit B and the actual costs in the Cost Documentation as requested by Agency.*
 - d. *Additional documentation or clarifications may be required and requested by Agency.”*

Cost documentation was not provided within thirty (30) days of construction completion. In fact, no cost documentation was provided until your December 5, 2025, correspondence. On November 20, 2023, then KURA Executive Director, Suzanne Frick provided you an email outlining that no documentation had been submitted, and that several other terms and conditions had not been followed related to the Agreement. Ms. Frick requested additional documentation and stated your request would be reviewed upon providing satisfactory documentation related to the items requested. See Exhibit B attached. No documentation was provided.

Furthermore, Section 5 states that *“[i]n the event Participant fails to timely deliver the Cost Documentation [30 days after construction completion], Agency may, in its discretion elect to terminate its payment obligations under this Agreement....”*

Most importantly, Section 5 expressly states, *“Agency’s determination of Actual Eligible Costs is within its sole discretion.”*

- 3) Section 6 – *“Participant shall provide Agency with its property tax notices and evidence of property tax payments to assist the Agency in determining the amount of revenue allocation (tax*

increment) proceeds received.”

KURA never received your property tax notices and evidence of property tax payments. Perhaps most controlling to this issue, Section 6 expressly states *“If the Actual Eligible Costs have not been fully reimbursed within five years after the issuance of the Certificate of Occupancy for the Participant’s Project, any further obligation of the Agency is terminated and Participant shall have no right for any payments beyond that period.”* Our records indicate that the certificate of occupancy was issued on November 20, 2020, making the five-year deadline, November 20, 2025.

- 4) Section 7 – *“Participant’s failure to comply with all Agreement provisions shall be a basis for termination of Agency’s reimbursement obligation.”*

SVDA has failed to comply with the Agreement terms and therefore KURA has no obligation to reimburse SVDA under the terms of the Agreement.

Based on SVDA’s failure to comply with the terms and conditions of the Agreement, KURA has no obligation to reimburse any Actual Eligible Costs and KURA will not be providing reimbursement pursuant to the Agreement.

Sincerely,

ELAM & BURKE
A Professional Association



Abigail R. Germaine

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, AUTHORIZING AGENCY TO ENTER INTO A REIMBURSEMENT PARTICIPATION AGREEMENT WITH SUN VALLEY DENTAL ARTS PLLC; AUTHORIZING THE CHAIRMAN OR VICE-CHAIRMAN OF AGENCY TO TAKE APPROPRIATE ACTION; AND PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

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

WHEREAS, the City Council ("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;

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 "Amended Plan");

WHEREAS, Sun Valley Dental Arts PLLC ("SVDA") owns or controls certain real property located at 620 First Avenue North, Ketchum, Idaho (the "Project Site") which is more accurately depicted as Lot 5, Block 34, Ketchum Townsite. The Project Site will be redeveloped and improved resulting in an upgraded residential and commercial building (the "Project");

WHEREAS, as part of the Project, SVDA intends to remediate certain Project Site conditions and redevelop the Project Site (the "Improvement Project");

WHEREAS, the Project and the Improvement Project are located in the Amended Plan area ("Ketchum Urban Renewal District"). The Amended Plan includes various measures to

mitigate and remediate the Ketchum Urban Renewal District. The Agency also previously adopted a Participation Policy;

WHEREAS, The Improvement Project includes improvements of public infrastructure to replace gutter and install handicapped ramps along First Avenue North and 7th Street, adjacent to the Project Site along with certain utility improvements, roadway paving, and a street light, that are consistent with the objectives of the Plan. The Improvement Project will contribute to enhancing and revitalizing the Ketchum Urban Renewal District.

WHEREAS, Participant has filed an application for funding as set forth in the Participation Policy. Participant qualifies for certain funding under the Participation Policy.

WHEREAS, the Improvement Project, while not specifically identified in the Amended Plan, consists of traditional infrastructure improvement which will be of benefit to the public and achieve the overall objectives of the Amended Plan;

WHEREAS, Agency deems it appropriate to assist the development of the Improvement Project to achieve the objectives set forth in the Amended Plan;

WHEREAS, Agency and SVDA have negotiated the terms of a Reimbursement Participation Agreement, attached hereto as Exhibit A, which sets forth the obligations of Agency and SVDA, concerning the reimbursement by Agency to SVDA for construction of the Improvement Project;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Reimbursement Participation Agreement and to authorize the Chair or Vice-Chair to execute and attest the Reimbursement Participation Agreement, 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 Reimbursement Participation Agreement, attached hereto as Exhibit A, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted, recognizing technical changes or corrections which may be required prior to execution of the Reimbursement Participation Agreement.

Section 3. That the Chair or Vice-Chair of the Agency are hereby authorized to sign and enter into the Reimbursement Participation Agreement and to execute all necessary documents required to implement the actions contemplated by the Reimbursement Participation Agreement,

subject to representations by Agency staff and Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Reimbursement Participation Agreement or other documents are acceptable, upon advice from Agency's legal counsel that said changes are consistent with the provisions of the Reimbursement Participation Agreement and the comments and discussions received at the September 17, 2018, Agency Board meeting; Agency is further authorized to appropriate any and all funds contemplated by the Agreement and to perform any and all other duties required pursuant to said Agreement.

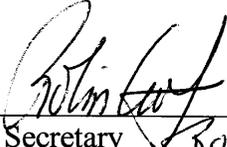
Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Ketchum, Idaho, on September 17, 2018. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on September 17, 2018.

URBAN RENEWAL AGENCY OF KETCHUM

By 
Chair Mark Nieves

ATTEST:

By 
Secretary Robin Crotty

4850-5354-0722, v. 1

REIMBURSEMENT PARTICIPATION AGREEMENT #50016

THIS REIMBURSEMENT PARTICIPATION AGREEMENT (“Agreement”) is entered into by and between the Urban Renewal Agency of the City of Ketchum, also known as the Ketchum Redevelopment Agency, an independent public body, corporate and politic, organized and existing under the laws of the State of Idaho and known as the urban renewal agency of the City of Ketchum, Idaho (“Agency”) and Sun Valley Dental Arts PLLC (“Participant”). Agency and Participant may be collectively referred to as the “Parties” and individually referred to as a “Party.”

RECITALS

A. Participant owns or controls certain real property located at 620 1st Avenue North, Ketchum, Idaho (the “Project Site”) which is more accurately depicted as Lot 5, Block 34, Ketchum Townsite. The Project Site will be redeveloped and improved resulting in an upgraded residential and commercial building (the “Participant’s Project”).

B. As part of the Participant’s Project, Participant intends to remediate certain Project Site conditions and redevelop the Project Site (the “Improvement Project”). The Improvement Project is more accurately depicted on attached **Exhibit A**.

C. The Participant’s Project and the Improvement Project are located in the Ketchum Urban Renewal Plan (the “Plan”) area, which consists of the Ketchum Urban Renewal Plan approved by the City Council on November 15, 2006, and the Amended Ketchum Urban Renewal Plan approved by the City Council on November 15, 2010 (“Ketchum Urban Renewal District”). The Plan includes various measures to mitigate and remediate the Ketchum Urban Renewal District. The Agency has also previously adopted a Participation Policy.

D. The Improvement Project includes improvements of public infrastructure to replace gutter and install handicapped ramps along First Avenue North and 7th Street, adjacent to the Project Site along with certain utility improvements, roadway paving, and a street light, that are consistent with the objectives of the Plan. The Improvement Project will contribute to enhancing and revitalizing the Ketchum Urban Renewal District.

E. Participant has filed an application for funding as set forth in the Participation Policy. Participant qualifies for certain funding under the Participation Policy.

F. The Improvement Project, while not specifically identified in the Plan, consists of traditional infrastructure improvement which will be of benefit to the public and achieve the overall objectives of the Plan.

G. Agency deems it appropriate to assist the development of the Improvement Project to achieve the objectives set forth in the Plan.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Effective Date.** The effective date (“Effective Date”) of this Agreement shall be the date when this Agreement has been signed by the Participant and Agency (last date signed) and shall continue until: (1) the completion of all obligations of each Party; or (2) five (5) years from the issuance of a Certificate of Occupancy for the Participant’s Project, as further described in section 6 of this agreement, whichever comes first.

2. **Construction of the Improvement Project.** Participant agrees to construct the Improvement Project consistent with the following:

- a. Remove and remediate certain Project Site conditions and backfill in order to enhance development of the Project Site.
- b. The Parties agree that the Improvement Project is depicted on **Exhibit A**, with cost estimates for eligible items described in the Schedule of Eligible Costs in **Exhibit B** (“Estimated Eligible Costs”). Any other public improvements that are constructed by the Participant as part of the Participant’s Project are not eligible for reimbursement pursuant to this Agreement. Additionally, Agency’s reimbursement obligation is limited to the amount set forth in Section 6 of this Agreement.

3. **Initial Construction Funding.** Participant shall pay for all of the costs of construction for the Improvement Project. Agency acknowledges that the Schedule of Costs attached as **Exhibit B** is an estimate by Participant’s contractor and that actual costs for the Improvement Project, as well as each line item of cost, may be more or less than is shown on **Exhibit B**.

4. **Notification of Completion; Inspection.** Upon completion of construction, Participant shall notify Agency in writing and request a final construction inspection and/ or a meeting with Agency to determine if the Improvement Project meets the requirements of this Agreement. Agency shall provide Participant with written confirmation that the Improvement Project has been completed in compliance with this Agreement.

5. **Determining Actual Payment after Completion of Construction.** Participant shall provide appropriate documentation (“Cost Documentation”) to Agency that Participant has expended funds for eligible costs in order to receive payment per the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant’s notification to Agency that construction of the Improvement Project is complete and shall include:

- a. Schedule of values that includes line items for the Improvement Project improvements approved by Agency for reimbursement so they are identifiable separate from other line items (“Schedule of Values”).
- b. Invoices from Participant’s general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g. excavation, material fill, pavement, etc.). Invoices shall specify quantities and unit costs of materials, and a percentage estimate of how much material was used for the Improvement Project in comparison to the amount used for the remainder of Participant’s project (“Invoices”).
- c. Explanation of any significant deviation between the initial cost estimates in **Exhibit B** and the actual costs in the Cost Documentation as requested by Agency.
- d. Additional documentation or clarifications may be required and requested by Agency.

Agency shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Participant to Agency prior to construction. In the event Participant fails to timely deliver the Cost Documentation, Agency may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Participant with written notice of such default. Participant shall have thirty (30) days from such written notice to cure the default. In the event Participant fails to cure such a default, Agency’s payment obligations under this Agreement may be terminated in Agency’s sole discretion.

Within fifteen (15) calendar days of Agency’s receipt of the Cost Documentation, Agency will notify Participant in writing of Agency’s acceptance or rejection of the Cost Documentation and Agency’s determination of the Actual Eligible Costs to be reimbursed. Agency shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in **Exhibit B**. **In no event shall the total for the Actual Eligible Costs exceed the amount allowed by Section 6.**

If Participant disagrees with Agency’s calculation of the Actual Eligible Costs, Participant must respond to Agency in writing within three (3) business days explaining why Participant believes Agency’s calculation was in error and providing any evidence to support any such contentions Participant wants Agency to consider. Agency shall respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

Agency’s determination of the Actual Eligible Costs is within its sole discretion.

6. Agency's Reimbursement Payment Amount and Payment Period. In accordance with the Participation Program, Agency agrees to reimburse Participant as follows:

Actual Eligible Costs not to exceed \$83,500 **WITH NO INTEREST**. Actual Eligible Costs include certain soft costs (e.g. architectural and engineering design). Agency shall disburse to Participant 50% of the revenue allocation (tax increment) proceeds Agency receives from the Project Site. Participant shall provide Agency with its property tax notices and evidence of property tax payments to assist the Agency in determining the amount of revenue allocation (tax increment) proceeds received. Participant shall be responsible for providing Agency property tax notices and evidence of property tax payment from other persons or entities being assessed for ownership interests within the Project Site. Agency disbursements shall commence upon the first receipt of revenue allocation (tax increment) proceeds after the issuance of the Certificate of Occupancy for the Participant's Project and shall continue for a period of five years, conditioned upon proof of property tax payment and property tax receipt by the Agency unless the reimbursement of the Actual Eligible Costs not to exceed \$83,500 has been extinguished previously. If the Actual Eligible Costs have not been fully reimbursed within five years after the issuance of the Certificate of Occupancy for the Participant's Project, any further obligation of the Agency is terminated, and Participant shall have no right for any payments beyond that period. **PARTICIPANT ACKNOWLEDGES THE REVENUE ALLOCATION (TAX INCREMENT) PROCEEDS MAY NOT BE SUFFICIENT TO PAY OFF THE REIMBURSEMENT OBLIGATION ON OR BEFORE THE PERIOD SET FORTH HEREIN AND ASSUMES THAT RISK.**

Participant has provided the Agency with an estimated assessed value of the Participant's Project of approximately \$8,300,000 with an increment value of \$7,915,000.

Agency may pay at any time, in whole or in part, without penalty, the then remaining outstanding balance of the reimbursement obligation.

7. Conditions Precedent to Agency's Payment Obligation. Agency agrees to reimburse Participant in the amount as determined in compliance with Sections 2.b., 5, and 6 and submittal of the required information described in Section 6 above.

Participant's failure to comply with all Agreement provisions shall be a basis for termination of Agency's reimbursement obligation.

8. Subordination of Reimbursement Obligations. The Parties agree this Agreement does not provide Participant with a security interest in any Agency revenues for the Ketchum Urban Renewal District or any other urban renewal plan area,

including but not limited to revenue from any "Revenue Allocation Area" (as defined in Title 50, Chapter 29 of the Idaho Code). Notwithstanding anything to the contrary in this Agreement, the obligation of Agency to make the payments as specified in this Agreement shall be subordinate to all Agency obligations that have committed or in the future commit available Agency revenues, including but not limited to revenue from any Revenue Allocation Area and may be subject to consent and approval by Agency lenders.

9. Default. Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days [ten (10) days in the event of failure to pay money] from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said 45-day period [ten (10) days in the event of failure to pay money], has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

- a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.
- b. The nondefaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed, in addition, recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.
- c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- d. The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- e. In the event Participant defaults under this Agreement, Agency (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured, Agency's obligation for payment shall be deemed extinguished. In addition, if Agency funds shall have been paid, Participant shall reimburse Agency for any such funds Participant received.

10. Captions and Headings. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

11. No Joint Venture or Partnership. Agency and Participant agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making Agency and Participant a joint venture or partners.

12. Successors and Assignment. This Agreement is not assignable except that the Participant may assign Participant's rights or obligations under this Agreement to a third party only with the written approval of Agency, at Agency's sole discretion and cannot be reasonably denied.

13. Notices and Receipt. All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, or by electronic mail (e-mail) addressed to the appropriate Party at the address set forth below:

If to Participant: Dr. Benjamin R. Franz
 Sun Valley Dental Arts PLLC
 P.O. Box 765
 Ketchum, Idaho 83340

If to Agency: Suzanne Frick, Executive Director
 Ketchum Urban Renewal Agency
 P.O. Box 2315
 Ketchum, Idaho 83340
 208-726-7801
 sfrick@ketchumidaho.org

14. Applicable Law/Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

15. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

Exhibit A Improvement Project Plan
Exhibit B Schedule of Eligible Costs

16. Indemnification. Participant shall indemnify and hold Agency and its respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to in this section as "Claim"), which may be imposed upon or incurred by or asserted against Agency or its respective officers, agents, and employees relating to the construction or design of the Improvement Project or otherwise arising out of Participant's actions or inactions. In the

event an action or proceeding is brought against Agency or its respective officers, agents, and employees by reason of any such Claim, Participant, upon written notice from Agency shall, at Participant's expense, resist or defend such action or proceeding. Notwithstanding the foregoing, Participant shall have no obligation to indemnify, defend, or hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency or its respective officers, agents, or employees.

17. Antidiscrimination During Construction. Participant, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity/expression, national origin or ancestry, marital status, age, or physical disability.

18. Compliance with Laws. Participant agrees to comply with all applicable federal, state, and local laws, rules and regulations, including, but not limited to, all conditions imposed by the city of Ketchum through its planning and zoning land use approval process and building permit approval process. Should the Participant not comply with the requirements set forth in the preceding sentence, the Agency shall no longer be obligated to provide the Participant reimbursement as set forth in this Agreement.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

Agency:

Agency: the urban renewal agency of the City of Ketchum, a public body, corporate and politic



Mark Nieves, Chair

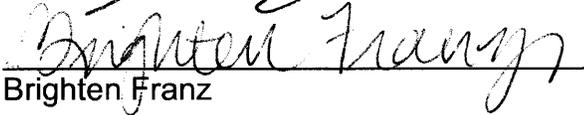
Date 11/26/2018

PARTICIPANT:

Sun Valley Dental Arts PLLC



Dr. Benjamin R. Franz



Brighten Franz

Date 11-19-18

Exhibits

- A: Participant's Project and Improvement Project
- B: Schedule of Eligible Costs

EXHIBIT A
PARTICIPANT'S PROJECT AND
IMPROVEMENT PROJECT

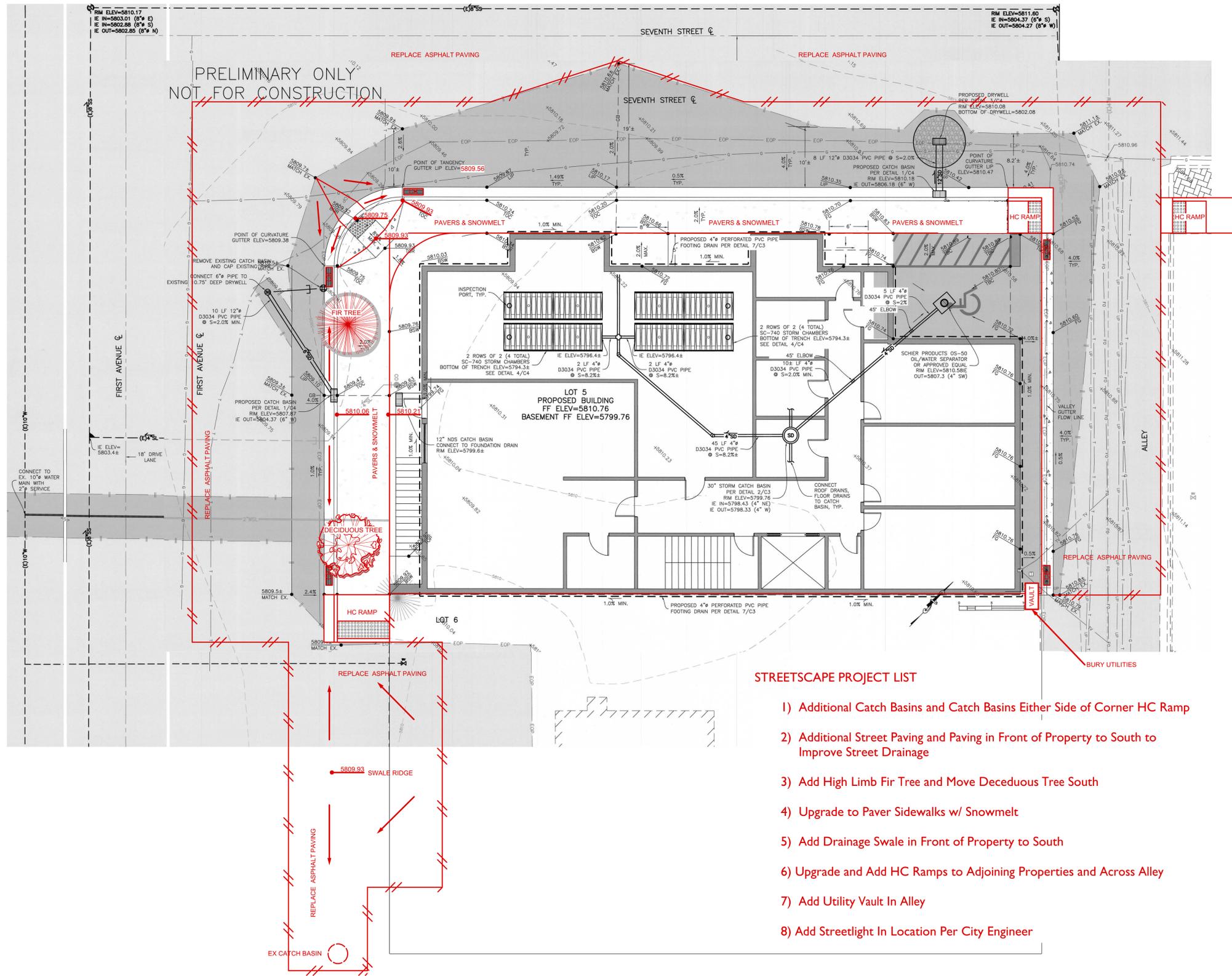
Redevelopment of the Project Site located at 620 First Avenue North, into the Sun Valley Dental Arts Building consisting of three residential apartments totaling approximately 8,000 square feet, an approximate 1,000 square foot studio, an approximate 2,800 square foot dental office and certain common space.

Project Site work consisting of site work excavation and improvements within the right-of-way, including roadway paving, and gutter along First Avenue North and 7th Street, handicapped ramps, streetlight, and utility improvements.

EXHIBIT B
SCHEDULE OF ELIGIBLE COSTS

Concrete Catchbasins	\$5,000
Drainage & Piping	\$12,000
Handicapped Ramps	\$10,000
Excavation & Compaction	\$11,000
Street Marking	\$1,000
Streetlight	\$7,000
Roadway Paving Area A	\$12,000
Roadway Paving Area B	\$4,000
Utilities	\$2,000
Administrative	\$2,848
Design A/E	\$9,250
General Contractor	\$7,400
Total Cost	\$83,498

4839-4558-1938, v. 2



STREETSCAPE PROJECT LIST

- 1) Additional Catch Basins and Catch Basins Either Side of Corner HC Ramp
- 2) Additional Street Paving and Paving in Front of Property to South to Improve Street Drainage
- 3) Add High Limb Fir Tree and Move Deceduous Tree South
- 4) Upgrade to Paver Sidewalks w/ Snowmelt
- 5) Add Drainage Swale in Front of Property to South
- 6) Upgrade and Add HC Ramps to Adjoining Properties and Across Alley
- 7) Add Utility Vault In Alley
- 8) Add Streetlight In Location Per City Engineer

Sun Valley Dental Arts Building - KURA Streetscape



Ketchum Urban Renewal Agency

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

March 9, 2026

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

Request for Board Direction regarding reimbursement agreement for Trail Creek Fund, LLC (300 River Street)

Introduction/History

- The previous agreement was approved in 2017 and terminated by the Board in February of 2022 for lack of progress. The applicant was informed they could submit a new application.
- The attached staff presentation outlined the key aspects of the previous agreement.
- Staff is seeking direction from the Board whether they desire staff to work with the applicant to develop a new reimbursement agreement.

Financial Requirement/Impact

The projected reimbursement amount would be \$544,700 based on the tax generation of the project.

No formal motion is recommended, staff is seeking general direction from the board.

Attachments:

1. Staff Presentation
2. Letter to Applicant
3. Resolution 22-URA03 – Terminating the Agreement

**Ketchum Urban Renewal
Agency
The Observatory Sun Valley
OPA**

March 9, 2026

ORIGINAL OPA

- February 2017
- **Terminated February 2022**
 - Lack of progress

ORIGINAL OPA DETAILS

- Standard Timing (certificate of occupancy)
- 50% of Increment Value
 - Inclusive of condominium units
 - Required employee housing
 - Value determined by the County Assessor
- Reimbursable items:
 - Road Improvements
 - Dry well connections
 - Landscape, art/fountains
 - Overhead power mitigation
 - Sewer line relocation
 - Heated pavers
- **Maximum Reimbursement: \$2,039,325**
 - Subject to timing and the sunset of the URA

IF AGREEMENT HAD NOT BEEN TERMINATED:

Assumptions:

- Summer 2026 certificate of Occupancy
- Increment set for FY 2027
- Estimated increment value: \$100M
- Increment growing 6% a year

OPA Payments (estimate/rounded)

- FY 2027: \$124,500
 - FY 2028: \$132,000
 - FY 2029: \$139,900
 - FY 2030: \$148,300
 - **Total: \$544,700**
- Assuming a 6% annual increment growth, maximum reimbursement would have taken 12 years

Board Direction



P.O. Box 2315 | 480 East Ave. N. | Ketchum, ID 83340

March 10, 2022

Trail Creek Fund LLC
c/o Jack Bariteau
P.O. Box 84
Sun Valley, Idaho 83353

Re: Termination of Owner Participation Agreement

Dear Mr. Bariteau,

This letter is to provide notice of the recent action taken by the Ketchum Urban Renewal Agency ("Agency") to terminate that certain Owner Participation Agreement ("Agreement") entered into between the Agency and Trail Creek Fund, LLC ("Trail Creek") on February 21, 2017.

Pursuant to the Agreement, Trail Creek was to construct improvements located on or adjacent to 300 River Street East at Main Street in Ketchum, Idaho, which is within the Ketchum Urban Renewal Plan Area. The Agency agreed to reimburse certain eligible costs for public infrastructure installed by Trail Creek. As you are aware, the building permit is no longer valid, and construction of the anticipated project has ceased therefore the Agreement and the terms contained therein are void. Should the project commence construction, a new request for an Owner Participation may be filed with the Agency.

On February 22, 2022, the Board of the Agency approved 22-URA03 which terminated the Agreement and instructed the Agency to notify you of such termination. Should you have any questions related to this matter, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Suzanne Frick", with a stylized flourish at the end.

Suzanne Frick,
Executive Director of the KURA

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, AUTHORIZING AGENCY TO TERMINATE THE OWNER PARTICIPATION AGREEMENT WITH TRAIL CREEK FUND, LLC, THE REIMBURSEMENT PARTICIPATION AGREEMENT WITH DOUG WEBB, THE REIMBURSEMENT PARTICIPATION AGREEMENT WITH KETCHUM & MUSTARD LLC, AND THE GRANT PARTICIPATION AGREEMENT WITH KETCHUM PDX LLC; AUTHORIZING THE EXECUTIVE DIRECTOR TO ADVISE EACH DEVELOPER OF THE TERMINATION OF THE AGREEMENTS; AND PROVIDING FOR THIS RESOLUTION TO BE EFFECTIVE UPON ITS PASSAGE AND APPROVAL.

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

WHEREAS, the City Council (“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;

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 “Amended Plan”);

WHEREAS, Trail Creek Fund, LLC (“Trail Creek”) owned or controlled the real property located at 300 River Street East at Main Street (hereinafter referred to as the “Site”);

WHEREAS, Trail Creek was to construct improvements on the Site and adjacent public rights of way in conjunction with the development of a new hotel and residential condominium project on the Site (the “Project”);

WHEREAS, Agency and Trail Creek entered into an Owner Participation Agreement (“Trail Creek OPA”) on February 21, 2017, attached hereto as Exhibit A, which set forth the obligations of

Agency and Trail Creek, concerning the reimbursement by Agency to Trail Creek for construction of the Project;

WHEREAS, Trail Creek never initiated construction of the Project and the property has been conveyed to another owner, and therefore Trail Creek is in default under the terms of the Trail Creek OPA;

WHEREAS, Doug Webb (“Webb”) owned or controlled certain real property located at 191 E. 8th Street, Ketchum, Idaho (the “Project Site”) The Project Site was to undergo redevelopment including construction of a mixed use residential and commercial building (the “Participant’s Project”);

WHEREAS, as part of the Participant’s Project, Webb intended to remediate certain Project Site conditions and redevelop the Project Site (the “Improvement Project”);

WHEREAS, the Improvement Project was to include improvements of public infrastructure to replace 100 feet of sidewalk along 8th Street adjacent to the Project Site;

WHEREAS, Agency and Webb entered into a Reimbursement Participation Agreement (“Webb Agreement”) on September 26, 2017, attached hereto as Exhibit B, which set forth the obligations of Agency and Webb, concerning the reimbursement by Agency to Webb for construction of the Improvement Project;

WHEREAS, the Improvement Project to date has not been completed and therefore Webb did not complete the obligations of the Webb Agreement within the twelve (12) month period as required by the Webb Agreement;

WHEREAS, pursuant to motion, the Agency revoked the Webb Agreement;

WHEREAS, Ketchum & Mustard LLC (“Ketchum & Mustard”) owned or controlled certain real property located at 620 N. Main Street, Ketchum, Idaho (the “Project Site”). The Project Site was to undergo redevelopment including construction of the Hotel Ketchum Coffee Shop (the “Participant’s Project”);

WHEREAS, as part of the Participant’s Project, Ketchum & Mustard intended to remediate certain Project Site conditions and redevelop the Project Site (the “Ketchum & Mustard Improvement Project”);

WHEREAS, the Ketchum & Mustard Improvement Project was to include improvements of public infrastructure within the right-of-way, including curb, gutter, and sidewalk;

WHEREAS, Agency and Ketchum & Mustard entered into a Reimbursement Participation Agreement (“Ketchum & Mustard Agreement”) on September 26, 2017, attached hereto as Exhibit C, which set forth the obligations of Agency and Ketchum & Mustard, concerning the reimbursement by Agency to Ketchum & Mustard for construction of the Ketchum & Mustard

Improvement Project;

WHEREAS, the Ketchum & Mustard Improvement Project has not been completed to date and therefore Ketchum & Mustard did not complete the obligations of the Ketchum & Mustard Agreement within the twelve (12) month period as required by the Ketchum & Mustard Agreement;

WHEREAS, Ketchum PDX LLC (“Ketchum PDX”) owned or controlled certain real property located at 560 N. 1st Avenue, Ketchum, Idaho (the “Project Site”). The Project Site is undergoing redevelopment including construction of a residential project of eighteen (18) rental housing units and three (3) affordable units (the “Project”);

WHEREAS, as part of the Project, Ketchum PDX intended to remediate certain Project Site conditions and redevelop the Project Site (the “PDX Improvement Project”);

WHEREAS, the Improvement Project was to include public infrastructure improvements for an eight foot (8’) wide sidewalk, drainage, and street improvements along North First Avenue adjacent to the Project Site;

WHEREAS, Agency and Ketchum PDX entered into a Grant Participation Agreement (“Ketchum PDX Agreement”) on January 30, 2019, attached hereto as Exhibit D, which set forth the obligations of Agency and Ketchum PDX, concerning the reimbursement by Agency to Ketchum PDX for construction of the PDX Improvement Project;

WHEREAS, the PDX Improvement Project to date has not been completed and therefore Ketchum PDX did not complete the obligations of the Ketchum & Mustard Agreement within the twelve (12) month period as required by the Ketchum & Mustard Agreement ;

WHEREAS, the Board of Commissioners finds it in the best public interest to terminate the Trail Creek OPA, the Webb Agreement, the Ketchum & Mustard Agreement, and the Ketchum PDX Agreement (“Agreements”) and to authorize the Executive Director to notify each of the above developers of the termination of their respective agreement.

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 Agreements, attached hereto as Exhibits A, B, C, and D, are hereby terminated.

Section 3. That the Executive Director is hereby authorized to notify Trail Creek, Webb, Ketchum & Mustard, and Ketchum PDX of the termination of their respective agreements.

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 February 22, 2022. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on February 22, 2022.

URBAN RENEWAL AGENCY OF KETCHUM

By Susan Scovell CHAIR
Susan Scovell, Chair

ATTEST:

By [Signature]
Secretary

4881-5958-6063, v. 5

Instrument # 641727

HAILEY, BLAINE, IDAHO

2-22-2017 05:36:23 PM No. of Pages: 50

Recorded for : CITY OF KETCHUM

JOLYNN DRAGE

Fee: 0.00

Ex-Officio Recorder Deputy

Index to: AGREEMENT/CORRECTION

G

OWNER PARTICIPATION AGREEMENT

By And Between

The Ketchum Urban Renewal Agency

And

Trail Creek Fund, LLC

For

AUBERGE PROJECT

OWNER PARTICIPATION AGREEMENT

THIS OWNER PARTICIPATION AGREEMENT (hereinafter "Agreement") is entered into by and between the Ketchum Urban Renewal Agency, a public body, corporate and politic (hereinafter "Agency"), organized pursuant to the Idaho Urban Renewal Law, Title 50, Chapter 20, Idaho Code, as amended (hereinafter the "Law"), and undertaking projects under the authority of the Local Economic Development Act of 1988 as amended (hereinafter the "Act"), and Trail Creek Fund, LLC, a California limited liability company authorized to do business in the State of Idaho (hereinafter "Participant"), collectively referred to as the "Parties" and each individually as "Party," on the terms and provisions set forth below.

RECITALS

WHEREAS, Agency, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of the Law and the Act;

WHEREAS, the Ketchum City Council adopted its Ordinance No. 1077 on November 15, 2010, approving the Ketchum Urban Renewal Plan (hereinafter the "Urban Renewal Plan");

WHEREAS, Participant owns and controls the real property located at 300 River Street East at Main Street (hereinafter referred to as the "Site" as defined below);

WHEREAS, Participant is in the process of constructing improvements on the Site and adjacent public rights of way in conjunction with the development of a new hotel and residential condominium project on the Site (the "Project");

WHEREAS, the Urban Renewal Plan authorizes Agency to use revenue allocation financing to fund specific projects and improvements to implement the Urban Renewal Plan;

WHEREAS, Agency and Participant have negotiated the major terms of Agency's participation in the funding of certain improvements to the public right of way and other eligible expenses (collectively the "Agency Funded Public Improvements");

WHEREAS, said Agency Funded Public Improvements implement several objectives outlined in the Urban Renewal Plan;

WHEREAS, the Urban Renewal Plan authorizes Agency to enter into owner participation agreements to implement the Urban Renewal Plan;

WHEREAS, as a result of Participant's agreement to construct the Agency Funded Public Improvements, Participant's commitment to comply with the terms of the Urban Renewal Plan, and Agency's commitment to reimburse Participant in compliance with the Urban Renewal Plan, the Parties deem it necessary to enter into this Owner Participation Agreement to define their respective obligations;

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

I. EFFECTIVE DATE

The Effective Date of this Agreement shall be the date when this Agreement has been signed by the Parties (last date signed) and shall continue until all obligations of each Party are complete.

II. SUBJECT OF AGREEMENT

A. Recitals, Purpose of This Agreement, and Interest

The Parties agree that 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. The mutual consideration and covenants contained herein are intended to achieve the objectives and obligations of both Parties. The Agency's commitment herein is intended to comply with the Agency's authority under the Law and the Urban Renewal Plan and is not a gift or donation of public funds.

The purpose of this Agreement is to effectuate the Urban Renewal Plan by providing for the construction of public improvements on or adjacent to the Site.

The construction of said public improvements on the Site and the fulfillment generally of this Agreement are in the vital and best interests of the City of Ketchum (the "City") and the health, safety, and welfare of its residents and are in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements. Implementation of this Agreement will further the goals and objectives of the Urban Renewal Plan.

B. The Plan

This Agreement is subject to the provisions of the Ketchum Urban Renewal Plan as adopted by the Ketchum City Council through its Ordinance No. 1077 on November 15, 2010.

C. The Project Area

The Urban Renewal Project Area (“Project Area”) is located in the City of Ketchum, and the exact boundaries of the Project Area are more specifically described in the Urban Renewal Plan.

D. The Site

The Site is that portion of the Project Area shown on the “Map of the Site,” attached to this Agreement as Attachment 1 which is incorporated herein by reference, and as more particularly described in the “Legal Description” of the Site, attached hereto as Attachment 2 which is incorporated herein by reference.

E. The City

The term City as used herein shall be the City of Ketchum, Idaho.

F. Agency Participation Policy

Generally, the Agency will agree to financially participate with a private developer when such participation achieves the objectives of the Urban Renewal Plan, is not duplicative of other public entity funding, and does not replace or substitute for the obligations imposed by other governmental agencies on the Participant. The specific participation by the Agency for this particular site is as set forth herein.

G. Parties to This Agreement

1. Agency

The Agency is an independent public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of the State of Idaho, Title 50, Chapter 20, Idaho Code, and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code. The office of the Agency is located at 480 East Ave. N, PO Box 2315, Ketchum, ID 83340. “Agency,” as used in this Agreement, includes the Urban Renewal Agency and any assignee of or successor to its rights, powers, and responsibilities.

2. Participant

The Participant is Trail Creek Fund, a California limited liability company. The principal address of the Participant is PO 84, Sun Valley, 83353.

Whenever the term "Participant" is used herein, such term shall include any permitted nominee, assignee, or successor in interest approved or consented to as provided herein. The Participant qualifies as an "owner participant" as that term is used in the Urban Renewal Plan.

H. The Private Development and City Agreements

1. The Private Development

The Private Development shall mean the development undertaken by Participant or the approved successors or assigns upon the Site. The Private Development consists of the construction of a Hotel consisting of 65 hotel rooms and suites and residential condominium units. The Private Development and any further development upon the Site or any portion of the Site shall comply with all the provisions of the Urban Renewal Plan and all applicable City building and zoning ordinances.

2. City Agreements and Approvals

"City Agreements and Approvals" shall mean those certain agreements between Participant and City, concerning, among other things, any required building permits and other approvals by City for the development of the Project Site, including the Amended and Restated Development Agreement dated October 5, 2015 and recorded as Instrument No. 630816 in the records of Blaine County, Idaho as amended by the Corrected Amendment to the Amended and Restated Development Agreement dated June 21, 2016 and recorded as Instrument No. 635897 in the records of Blaine County, Idaho (collectively, the "Development Agreement"), attached hereto as Attachment 3, as the same may be subsequently amended.

Any default by Participant of the City Agreements and Approvals, including but not limited to any and all applicable City ordinances, not cured within any applicable cure period shall constitute a default under this Agreement, with the Agency reserving any of its rights and remedies under this Agreement concerning default.

III. IMPROVEMENT OF THE SITE AND AGENCY'S PARTICIPATION

A. Development Design

Participant agrees that the Development will be in full compliance with the Plan.

B. Cost of Construction

The cost of the Private Development and the Agency Funded Improvements, defined below, shall be borne by the Participant, except as otherwise set forth herein.

C. Agency, City, and Other Governmental Agency Permits

Participant has or shall, at Participant's own expense, secure or cause to be secured any and all permits or approvals which may be required by Agency, City, or any other governmental agency relative to Project construction and operation.

D. Agency Funded Public Improvements

The Agency Funded Public Improvements are directly related to public facilities and are: (a) critical to the redevelopment of the Site; and (b) provide a higher quality of development that should assist Agency in achieving redevelopment of other properties adjacent to the Site and meeting the objectives of the Urban Renewal Plan. Because of the Private Development, which achieves several of the objectives contained within the Urban Renewal Plan, Agency finds that a portion of the public improvements may be reimbursed by the Agency. Agency finds that the Agency Funded Public Improvements are in the best public interest and provide for enhanced development of the Site within the Project Area.

In consideration of the terms of this Agreement and subject to certain conditions as contained in this Agreement, Agency agrees to pay the costs of certain approved Agency Funded Public Improvements, inclusive of design and engineering costs, as verified by the Agency. Approved Agency Funded Public Improvements shall include those improvements listed on Attachment 4, and any other public improvement that may be approved by the Agency Board for reimbursement in the future.

E. Reimbursement Obligation

1. Amount of Reimbursement

In consideration of Participant's construction of the Agency Funded Public Improvements, Agency, subject to the terms of this Agreement, agrees to reimburse Participant an amount equal to the Actual Eligible Costs, as defined below, of the Agency Funded Public Improvements, not to exceed Two Million Thirty Nine Thousand Three Hundred Twenty Five and 00/100 dollars (\$2,039,325.00), with no interest.

2. Notification; Inspection; Approval

Upon completion of construction of any category of the Agency Funded Public Improvements associated with the Project and on not less than a quarterly basis during construction, Participant shall notify Agency in writing to request a meeting with the Agency Director to determine if the completed Agency Funded Public Improvements meet the requirements of this Agreement. Agency shall provide Participant with written confirmation that the completed Public Improvements are eligible for reimbursement as follows:

- (a) With respect to each Notification of Completion, Participant is responsible for submitting invoices or receipts for work performed as part of the Project (the "Cost Documentation") which will permit Agency to determine the Actual Eligible Costs, which shall be the actual costs to construct the Agency Funded Public Improvements as approved by the Agency Director. Cost Documentation shall include the following:
 - i. An accounting of the costs associated with the completed Agency Funded Public Improvements and evidence of payment of such costs by Participant. Participant shall include invoices from Participant's design professionals, general contractor, subcontractor(s), and material suppliers for each type of eligible cost item, which shall specify quantities and unit costs of installed materials.
 - ii. Explanation of any significant deviation between the initial cost estimates in **Attachment 4** and the actual costs in the Cost Documentation.
- (b) The Agency Director shall have the right to review the Cost Documentation, to inspect the completed Agency Funded Public Improvements, and to obtain independent verification that the quantities of work claimed and the costs associated therewith are accurate and appropriate for the Agency Funded Public Improvements completed.
- (c) Within thirty (30) days of Agency's receipt of the Cost Documentation, the Agency Director shall notify Participant in writing of Agency's acceptance of the Cost Documentation and Agency's determination of the Actual Eligible Costs. Agency shall notify Participant of any disputes with the Cost Documentation and provide Participant a reasonable time to explain any discrepancy. If the Agency Director and the Participant cannot agree on any disputed costs, the Parties

agree to submit the dispute to the Agency Board of Commissioners for final determination.

3. Reimbursement.

Participant shall initially pay for all of the costs of construction for the Agency Funded Public Improvements associated with the Project. By approval of this Agreement by Agency's Board of Commissioners, Agency has authorized reimbursement for the Actual Eligible Costs of the Agency Funded Public Improvements (the "Reimbursement Obligation") as set forth in Section F, below, and the other provisions of this Agreement.

F. Reimbursement Procedure

1. Agency's Reimbursement Obligation shall not commence until a Certificate of Occupancy, or the equivalent thereof, is issued for the Private Development and Agency receives written confirmation from City that Participant has completed all development obligations set forth in the Development Agreement. Provided, if Participant fails to construct the employee housing in accordance with the Development Agreement within six (6) months of the issuance of a Certificate of Occupancy for the Project, Agency shall suspend all reimbursement payments until such time as Participant constructs the employee housing in compliance with the Employee Housing Plan previously approved by the City and incorporated into the Development Agreement. Notwithstanding the foregoing, in the event any delay is caused by the City's failure to approve properly submitted design review and/or construction plans for said employee housing in a timely manner, said reimbursement payments shall not be suspended.

2. In conjunction with its receipt of revenue allocation proceeds on a biannual basis, the Agency agrees to make payment to Participant of fifty percent (50%) of the tax increment revenue allocation proceeds arising from the Site, inclusive of all condominium units constructed on the Site as part of the Project, commencing from the first date the Agency receives tax increment monies arising from the Site subsequent to the issuance of a Certificate of Occupancy or equivalent for the Private Development until such time as the Reimbursement Obligation has been paid in full, or the termination of the Urban Renewal Plan, whichever occurs first. **PARTICIPANT ACKNOWLEDGES THE TAX REVENUE ALLOCATION PROCEEDS MAY NOT BE SUFFICIENT TO PAY OFF THE REIMBURSEMENT OBLIGATION ON OR BEFORE THE TERMINATION OF THE URBAN RENEWAL PLAN, AND ASSUMES THAT RISK.**

3. The Bi-annual Payments are due to Participant within thirty (30) days of receipt of revenue allocation proceeds from the Site by Agency.
4. Agency shall have no obligation to make payments to the Participant for taxes collected and paid to Agency beyond the term described herein.
5. Agency may redeem, at any time, in whole or in part, without penalty, the then remaining outstanding balance of the Reimbursement Obligation.
6. All payment due hereunder shall be paid to the Participant, and future owners of condominium units created on the Site as part of the Project shall have no claim or entitlement to such payments as a result such ownership.
7. Non-general Obligation. As provided by Idaho Code Section 50-2910, the obligations of Agency hereunder shall not constitute a general obligation or debt of the Agency, the State of Idaho, or any of its political subdivisions or give rise to a charge against their general credit or taxing powers to be payable out of any funds or properties other than the monies deposited in the special fund or funds provided for herein and pledged hereby to the payment of principal and interest on this Reimbursement Obligation.

G. Taxes

The Act, as amended, provides that Agency will be paid tax increment funds contingent on the amount of assessed value as determined by the Blaine County Assessor each year and the rate of tax levy or the percentage of assessment levied by each of the taxing agencies. Agency is not a guarantor of the assessment determination made by Blaine County Assessor or guarantor of collection of taxes by the Blaine County Treasurer.

Participant shall pay when due all real estate and personal property taxes and assessments assessed and levied on Participant's ownership interest of the Site. This provision or covenant shall run with the land and be binding upon Participant's successors. Except as set forth herein, nothing herein contained shall be deemed to prohibit Participant from contesting the validity or amounts of any tax, assessment, encumbrance, or lien or to limit the remedies available to Participant with respect thereto; provided, such contest does not subject the Site or any portion thereof to forfeiture or sale.

The Increment Tax Revenues on the Site by Participant (as determined from the assessment records of the Blaine County Assessor and the payment records of the Blaine County Treasurer) shall be paid to Participant if and only as they are paid to Agency by Blaine County, the entity which has the legal responsibility to collect property taxes.

Participant recognizes Agency has no authority or involvement in the assessment, tax, or collection process for ad valorem taxes, including real property and personal property taxes. Participant also recognizes the ability of Agency to reimburse Participant for the Reimbursement Obligation is dependent on the ad valorem assessment and collection process. Therefore, in the event insufficient taxes are received by Agency because of reduction of the tax levy rate or assessed values less than assumed by Agency and Participant or in the event of any tax delinquency by any owner of parcels within the Site or by any tenant related to personal property, Participant must elect to either pay the delinquent taxes or in-lieu-of taxes reflecting higher assessments or levy rate on behalf of those taxpayers or receive less reimbursement from Agency to pay the Reimbursement Obligation.

Participant shall not apply for or otherwise request any exemption or reduction in property taxes on the Site pursuant to Title 63, Chapter 44 of the Idaho Code, The Idaho Small Employer Incentive Act of 2005, Idaho Code § 63-602NN, or Idaho Code Section 63-606A. Notwithstanding the foregoing, it is agreed that Participant may apply for or otherwise request tax reimbursement under any of the above referenced statutory provisions without violating the terms of this Agreement.

H. Subordination of Reimbursement Obligations

The Parties agree this Agreement does not provide Participant with a security interest in any Agency revenues for the Project Area or any other urban renewal plan area, including but not limited to revenue from any "Revenue Allocation Area" (as defined in Title 50, Chapter 29 of the Idaho Code). Notwithstanding anything to the contrary in this Agreement, the obligation of Agency to make the payments as specified in this Agreement shall be subordinate to all Agency obligations that have committed or in the future commit available Agency revenues, including but not limited to revenue from any Revenue Allocation Area and may be subject to consent and approval by Agency lenders.

I. Liens/Payment of General Contractor

Participant hereby certifies that as of the Effective Date no mechanic's or materialman's liens have been placed on the Site, as defined above, and that the general contractor and all subcontractors have been or will be paid in full for all work performed on the Private Development. In the event any materialman's liens

are placed on the Site Participant agrees Agency may suspend any payments required under this Agreement until any liens or claims related to the Project and made by any contractor, subcontractor or material supplier that performed work on the Private Development have been satisfied.

J. Agency Contribution Assignable

Agency and Participant agree that Agency's obligations run only to Participant or its assignee and that Agency is under no obligation to grant any additional consideration or greater participation than set forth herein. Participant shall have the absolute right to assign its right to receive any payments to its lender, its successor, or other entity designated by Participant.

K. Indemnification

Participant shall indemnify and hold Agency, City, and their respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to in this Section as "claim"), which may be imposed upon or incurred by or asserted against Agency, City, or their respective officers, agents, and employees by reason of any of the following occurrences, provided Participant shall have no obligation to indemnify and hold Agency or City, respectively, and their respective officers, agents, and employees harmless from and against any matter to the extent it arises from the negligence or willful act of Agency or City, respectively, or their respective officers, agents, or employees:

1. Any work done in, on, or about the Site, including the Agency Funded Public Improvements, or work related to the Agency Funded Public Improvements; or
2. Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of the Site or any part thereof; or
3. Any negligent or intentional act or omission on the part of Participant or any of its agents, contractors, servants, employees, subtenants, operators, licensees, or invitees; or
4. Any accident, injury, or damage to any person or property occurring in, on, or about the Site or any part thereof, during construction; or

5. Any failure on the part of Participant to perform or comply with any of the terms, provisions, covenants, and conditions contained in this Agreement to be performed or complied with on its part.

In case any claim, action or proceeding is brought against Agency, City, or their respective officers, agents, and employees by reason of any such claim, Participant, upon written notice from Agency or City, shall, at Participant's expense, resist or defend such claim, action or proceeding.

L. Warranty

Participant warrants that the materials and workmanship employed in the construction of the Agency Funded Public Improvements are of good quality and conform to generally accepted standards within the construction industry and agrees to repair any non-conforming improvements during the warranty period upon receipt of notice from Agency of such non-conforming improvements. Such warranty and repair obligation shall extend for a period of one (1) year after a Certificate of Occupancy has been issued for the Private Development. Provided, nothing herein shall limit the time within which Agency may bring an action against Participant on account of Participant's failure to otherwise construct such improvements in accordance with this Agreement.

M. Maintenance

The Participant recognizes Agency has no specific authority to accept maintenance responsibility of the Agency Funded Public Improvements. Participant anticipates that the City and or various public utilities may accept ownership and maintenance obligations of some or all of the Agency Funded Public Improvements, however such acceptance is not a condition precedent to the obligations of the Parties hereto.

IV. USE AND MAINTENANCE OF THE SITE AND ADJACENT AREA

A. Use of the Site

Participant agrees and covenants to comply with all other provisions and conditions of the Urban Renewal Plan for the period of time the Urban Renewal Plan is in force and effect, which for purposes of this Agreement is deemed through December 31, 2034.

B. Obligation to Refrain From Discrimination

Participant covenants and agrees for itself, its successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons on account of race, age, color, creed, religion, sex, marital status, handicap,

ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site, nor shall the Participant or any person claiming under or through the Participant establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site. The foregoing covenants shall run with the land and shall remain in effect in perpetuity.

C. Nondiscrimination and Nonsegregation

The Participant shall not restrict the rental, sale, or lease of the Site on the basis of race, color, creed, religion, age, sex, handicap, marital status, ancestry, or national origin of any person.

D. Effect and Duration of Covenants

The covenants against discrimination contained herein shall remain in effect in perpetuity. Remaining covenants contained in this Agreement shall remain in effect until sooner of December 31, 2034, or the date on which the Urban Renewal Plan terminates, whichever is sooner. The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on the part of the Participant and any successors and assigns to the Site or any part thereof, and the tenants, lessees, sublessees, and occupants of the Site, for the benefit of and in favor of Agency, its successors and assigns, City, and any successor in interest thereto.

E. Local, State and Federal Laws

Participant covenants that it carried out the construction of the improvements in conformity with all applicable laws, including all applicable federal and state labor standards.

V. **DISPUTE RESOLUTION, REMEDIES, AND TERMINATION**

A. Dispute Resolution

In the event that a dispute arises between Agency and Participant regarding the application or interpretation of any provision of this Agreement, the aggrieved party shall promptly notify the other party to this Agreement of the dispute within ten (10) days after such dispute arises. If the Parties shall have failed to resolve the dispute within thirty (30) days after delivery of such notice, the Parties agree to first endeavor to settle the dispute in an amicable manner by mediation or other process of structured negotiation under the auspices of a nationally or regionally recognized organization providing such services in the Northwestern States or

otherwise, as the Parties may mutually agree before resorting to litigation. Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation or other process of structured negotiation, each Party shall have the right to pursue any rights or remedies it may have at law or in equity.

B. Legal Actions

In addition to any other rights or remedies, any Party may institute legal action to cure, correct, or remedy any default; to recover damages for any default; or to obtain any other remedy consistent with the purpose of this Agreement. The nondefaulting Party may also, at its option, cure the default and sue to collect reasonable attorney's fees and costs incurred by virtue of curing or correcting the Party's breach.

The laws of the State of Idaho shall govern the interpretation and enforcement of this Agreement.

C. Rights and Remedies Are Cumulative

Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party.

Agency reserves the right to withhold reimbursement to Participant for any Participant default.

VI. GENERAL PROVISIONS

A. Notices, Demands, and Communications between the Parties

Formal notices, demands, and communications between Agency and Participant shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of Agency and Participant as set forth in this Agreement. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

B. Conflicts of Interest

No member, official, or employee of Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee

participate in any decision relating to this Agreement which affects his/her personal interests or the interests of any corporation, Partnership, or association in which he/she is directly or indirectly interested.

Participant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

C. Non-liability of Agency Officials and Employees

No member, official, or employee of Agency shall be personally liable to Participant in the event of any default or breach by Agency or for any amount which may become due to Participant or on any obligations under the terms of this Agreement.

D. Successors and Assigns

This Agreement shall, except as otherwise provided herein, be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

E. Attorney Fees and Costs

In the event that either party to this Agreement shall enforce any of the provisions hereof in any action at law or in equity, the unsuccessful party to such litigation agrees to pay to the prevailing party all costs and expenses, including reasonable attorney fees incurred therein by the prevailing party, and such may be included to the judgment entered in such action.

F. Severability

If any provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

G. Headings

The section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.

H. Counterparts

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

I. Forced Delay; Extension of Times of Performance

In addition to the specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; acts of another party; environmental analysis, or removal of hazardous or toxic substances; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of Agency shall not excuse performance by Agency); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the forced delay, which period shall commence to run from the time of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by Agency and Participant.

J. Inspection of Books and Records

Agency has the right, upon not less than seventy-two (72) hours' notice, at all reasonable times, to inspect the books and records of Participant pertaining to the Agency Funded Public Improvements.

K. Attachments and Exhibits Made a Part

All attachments and exhibits which are attached to this Owner Participation Agreement are made a part hereof by this reference.

VII. AMENDMENTS TO THIS AGREEMENT

Agency and Participant agree to mutually consider reasonable requests for amendments to this Agreement and any attachments hereto which may be made by any of the Parties hereto, lending institutions, bond counsel, financial consultants, or underwriters to Agency, provided said requests are consistent with this Agreement and would not alter the basic business purposes included herein or therein. Any such amendments shall be in writing and agreed to by the Parties.

VIII. ENTIRE AGREEMENT, WAIVERS, AND AMENDMENTS

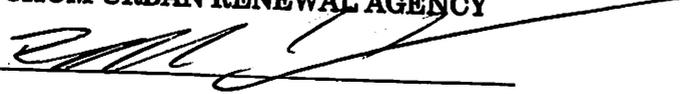
This Agreement, including Attachments 1 through 4, inclusive, incorporated herein by reference, constitutes the entire understanding and agreement of the Parties.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter thereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency and Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Participant.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

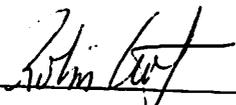
KETCHUM URBAN RENEWAL AGENCY

By: 

DAVID GOVEAUX, KURA Chair

Date: 2/21/17

ATTEST:

By: 

Robert Crotty
KURA Secretary

PARTICIPANT

Trail Creek Fund, LLC

By: 

Jack E. Bariteau, Jr., Managing Member

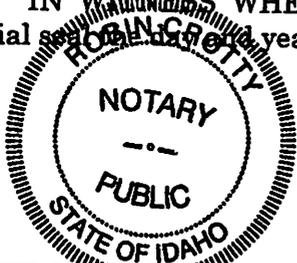
Date: 2/12/2017

ACKNOWLEDGMENTS

STATE OF IDAHO)
) ss.
County of Blaine_)

On this 21st day of February, 2017, before me, Robin Grety, the undersigned notary public in and for said county and state, personally appeared Paul Curley, known or identified to me to be the Chair of the Ketchum Urban Renewal Agency, the public body corporate and politic, that executed the within instrument, and known to me to be the person that executed the within instrument on behalf of said Agency and acknowledged to me that such Agency executed the same for the purposes herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



[Signature]
Residing at Ketchum City Hall
Commission Expires 12/22/2020

STATE OF IDAHO)
) ss.
County of Blaine_)

On this 12th day of February, 2017, before me, James R. Lasaki, the undersigned notary public in and for said county and state, personally appeared Jack E. Bariteau, Jr., known or identified to me to be the managing member of Trail Creek Fund, LLC, and the person who signed the within instrument, and acknowledged to me that he has authority to execute and executed the foregoing instrument for the purposes therein contained on behalf of Trail Creek Fund, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



[Signature]
Residing at Blaine County
Commission Expires August 3, 2017

Attachment 2

Legal Description

Lot 2 of Block 83 of the City of Ketchum, according to the official plat thereof

Attachment 3

**Amended and Restated Development Agreement
Including Employee Housing Plan**

AMENDED AND RESTATED DEVELOPMENT AGREEMENT
(City of Ketchum/Trail Creek Fund, LLC, et al.

THIS AMENDED AND RESTATED DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of the 5th day of October, 2015, by and between the CITY OF KETCHUM, an Idaho municipal corporation ("City") and TRAIL CREEK FUND, LLC, a California limited liability company ("Owner").

RECITALS

WHEREAS, Owner owns that certain real property located at 200 South Main Street, Ketchum, Idaho legally described as Lot 2 of Block 83, of the City of Ketchum, according to the official plat thereof, on file in the office of the County Recorder of Blaine County, Idaho (the "Property"); and

WHEREAS, Owner has applied with the City to develop and operate a Hotel ("Project") currently referred to as the "Auberge Resort Hotel" on the Property pursuant to a Planned Unit Development Conditional Use Permit; and

WHEREAS, Ketchum Municipal Code ("KMC") Section 17.52.010.H.3.g requires that the developer of such a hotel enter into a Development Agreement with the City as part of the approval process and this Agreement satisfies such requirement; and

WHEREAS, KMC 16.08.070 requires the developer of a PUD to submit a Development Plan and this Agreement will ensure compliance with such Plan; and

WHEREAS, KMC 16.08.120.C.1 allows the City Council to require such written agreements executed by the developer to secure performance of any requirement or condition imposed as part of the PUD approval and this Agreement is such a written agreement; and

WHEREAS, City has identified the Property as a site which is suited for the proposed development; and

WHEREAS, the City's Planning and Zoning Commission and City Council have held properly noticed public hearings pursuant to applicable code with respect to the development of the Property and this Agreement; and

WHEREAS, the original agreement between the City of Ketchum and Trail Creek Fund LLC was first amended on April 15, 2010 for the purpose of extending the entitlement expiration dates; and

WHEREAS, the original agreement between the City of Ketchum and Trail Creek Fund LLC was amended for a second time on July 16, 2012 for the purpose of extending the entitlement expiration dates; and

WHEREAS, the original agreement between the City of Ketchum and Trail Creek Fund LLC was amended for a third time on November 5, 2013 for the purpose of extending the entitlement expiration dates; and

WHEREAS, Trail Creek Fund LLC requested a fourth amendment to the Development Agreement in July 2015 for the purpose of extending the entitlement expiration dates by seven (7) months; and

WHEREAS, on September 3, 2015 the Ketchum City Council approved the request from Trail Creek Fund LLC to extend the entitlement expiration dates by seven (7) months from October 6, 2015 to May 6, 2016; and

WHEREAS, the Ketchum City Council approved the fourth extension with the understanding that this would be the last and final amendment to the Development Agreement as to time extensions; and

WHEREAS, it is the intent and desire of the parties hereto that development and uses of the Property proceed as provided herein.

AGREEMENT

NOW THEREFORE, in consideration of the above recitals and the mutual covenants and agreements herein contained and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Incorporation of Recitals.** The Recitals set forth above are hereby incorporated into and made an integral part of this Agreement.
2. **Incorporation of Related Agreements, Approvals, Plans, Permits and other documents.** The following agreements, approvals, plans, permits and other documents are hereby incorporated into and made an integral part of this Agreement by reference as if restated herein in full:
 - PUD CUP Findings of Fact, Conclusions of Law and Decision, including all conditions of approval, dated November 17, 2008, or as amended from time to time. Conditions of approval are excerpted in Exhibit A.
 - PUD CUP No. 08-007 dated November 17, 2008, or as amended from time to time.
 - PUD Development Plans referenced in the PUD CUP Findings of Fact, Conclusions of Law and Decision, or as amended from time to time.
 - Design Review Findings of Fact, Conclusions of Law and Decision, including all conditions of approval, dated September 8, 2008, or as amended from time to time.
 - Site Plan No. L-1 dated January 10, showing both on-site and off-site improvements, which off-site improvements may be amended to meet final right-of-way improvement design approvals, or as amended from time to time.

Any material failure to comply with the terms and conditions of any of the above-referenced agreements, approvals, plans, permits and other documents shall constitute a breach of this Agreement.

In the event of any inconsistency between the terms and conditions of this Agreement and the agreements, approvals, plans, permits and other documents listed above, the terms and conditions of this Agreement shall govern.

Except as provided otherwise in this Agreement, development of the Project shall be vested and governed by policies, procedures, guidelines, ordinances, codes and regulations of the City governing land use in effect as of the Effective Date of this Agreement. Any amendments or additions made during the term of this Agreement to City policies, procedures, guidelines, ordinances, codes or regulations shall not apply to or affect the conditions of development of the Project; provided, however, the following are exempt from vesting under this Agreement:

- i) plan review fees and inspection fees;**
- ii) amendments to building, plumbing, fire and other construction codes;**
- iii) City enactments that are adopted pursuant to State or federal mandates that preempt the City's authority to vest regulations.**

Owner may request to be bound by future amendments to the Ketchum Municipal Code, or other regulations, policies or guidelines affecting development, and such request may be approved administratively provided no new land use not allowed under this Agreement and no increase in total square footage of structures to be developed is proposed. In all other instances, the request to be bound by future amendment(s) shall be approved by the Council as an amendment to this Agreement.

Any application for a building permit submitted by Owner shall substantially comply with the requirements of the above-referenced applicable codes, agreements, approvals, plans, permits and other documents as such requirements exist on the day the building permit application is submitted. A complete Building Permit Application and applicable fees shall be submitted to the City no later than May 6, 2016. A Certificate of Occupancy shall be issued for the Project no later than 30 months after the Building Permit is issued.

A building permit application that does not substantially comply with the requirements contained in applicable codes, agreements, approvals, plans, permits and other project documents may be rejected by the City within a reasonable time after completing review of the application by providing written notice to Owner describing the non-compliance in detail unless the non-compliance is cured by Owner within thirty days. If a building permit application contains material changes to the above-referenced applicable codes, agreements, approvals, plans, permits and other documents an amendment to this agreement must be applied for by Owner and considered by the City Council. If such amendment is approved by City Council, all approvals referenced in Section 2 may be subject to amendment. A new building permit may be required to reflect the changes made to the approvals in Section 2.

3. **List of Uses to be Allowed (Hotel Uses and Restrictions)**. Owner may use the Property as a “Hotel” as defined in KMC 17.08.020 as that section existed at the time of PUD application and for private residential uses. The following units and any storage, parking or limited common area associated with such units may be used as either private residential units or as a “Hotel”: Units 1 through 6, located on the fourth floor unless otherwise amended by the City of Ketchum. All other units and space on the Property and in the improvements constructed thereon shall be used exclusively as a “Hotel”. The following are acknowledged as allowable accessory uses of the Property: conference facilities, restaurant and bar areas within the hotel, fitness facilities, retail and spa/salon uses, and an observatory on the fifth floor. Owner agrees that this Agreement specifically allows only the uses set forth above and no others. Owner may not change the uses of the Property and improvements thereon specified in this Agreement without the prior written approval of City which may be withheld for any reason permitted by law. Any substantial changes or expansions in the uses permitted by this Agreement without such prior written consent and formal modification of this Agreement as allowed by applicable law shall constitute a breach of this Agreement.
4. **Permitted Square Footage and Building Location**. Owner shall construct improvements on the Property in the locations depicted in the Design Review Approval. The gross square footage of the improvements shall not be greater than 149,325 square feet distributed as set forth in the Design Review Approval.
5. **Identification of Development Standards & Right-of-Way Improvements**. Owner shall develop the Property pursuant to the standards set forth in Title 15 of the Ketchum Municipal Code “Buildings and Construction” as such standards exist as of the date on which Owner applies for a building permit. Owner shall develop the public rights-of-way adjacent to the Property pursuant to the Site Plan and pursuant to the standards set forth in Title 12 of the Ketchum Municipal Code “Streets, Sidewalks, Public Utility Easements and Public Places” as such standards exist on the date on which Owner applies for a building permit. Improvements within the public rights-of-way that shall be dedicated to the public include:
- Pedestrian amenities such as bike racks, benches and other amenities provided within the Gateway Plaza area at the intersection of Main Street and River Street.
 - Public art.
 - Trees.
 - Street lights.
- Improvements within the public rights-of-way that shall remain in the ownership of the Owner and be subject to a revocable Right-of-Way Encroachment License include:
- Heated sidewalks within the Main Street, River Street and Leadville Avenue rights-of-way.
 - Heated asphalt or other paving within the River Street and Leadville Avenue rights-of-way.
 - Retaining walls.
 - Planter beds, screen and contents within Main Street, River Street and Leadville Avenue rights-of-way.

- Porte cochere and any other structural elements of the hotel building that project into or over the public right-of-way.
 - Curb and gutter and all ingress and egress improvements that are essential for access to the hotel entries and underground parking garage and loading dock areas of the Project.
6. **Plaza Area.** The size and location of the planned Gateway “plaza” area for the Property, shall be approved by the City Engineer and the City Council prior to issuance of a building permit and installed prior to the issuance of any Certificate of Occupancy.
7. **Construction and Completion Schedule.** Improvements shall be constructed and substantially completed pursuant to a schedule set forth in the Revised Construction Mitigation Plan, which shall be submitted by the Owner and approved by the City no later than March 6, 2016. A Certificate of Occupancy shall be issued for the Project no later than 30 months after the Building Permit is issued.
8. **Infrastructure Improvements.** Owner shall engineer, construct, and otherwise provide, at its sole expense, improvements, facilities and services (public and private) as provided in the PUD Conditional Use Permit and this Agreement:
- 8.1 Owner requests water and sewer service from Ketchum to the PUD Property and Ketchum hereby agrees to provide such water and sewer service at the same fees as charged to equivalent users of Ketchum.
- 8.2 All utilities, including water, sewer, gas, cable, phone and electric shall be installed underground within the street rights-of-way. Detailed engineered construction drawings and specifications for construction of such improvements shall be prepared by Owner and approved by the Ketchum Engineer prior to construction. Prior to acceptance of any such improvements to be dedicated to Ketchum, the Ketchum Engineer shall inspect and approve same and Owner shall provide Ketchum with "as built" drawings thereof. Owner hereby warrants that to the best of its knowledge the "as built drawings" are substantially correct and Owner shall, for a period of one year from Ketchum’s receipt of said drawings, be liable and hold Ketchum harmless for any damage which may result from material errors in said drawings after acceptance by the Ketchum Engineer of said utilities unless such damage is caused directly or indirectly by the acts or omissions of Ketchum, or its agents or contractors.
9. **Design Review.** The improvements on the Property shall be built exclusively as permitted under the Design Review Approval unless otherwise amended by the City of Ketchum. Any development of any portion of the Property substantially inconsistent with this Agreement or the Design Review Approval, as determined by the Planning and Zoning Administrator, without modification of the Design Review Approval, shall constitute a breach of this Agreement by Owner.
10. **Phasing.** Owner shall not phase the development of the Property; therefore, no security agreement shall be required for any such phasing.

11. **Public Access to the Observatory.** The observatory has been accepted as a public amenity and as such shall be open to the public a reasonable number of hours. The applicant shall make a proposal to the City Council regarding the operation of the observatory, to be approved by the City Council prior to issuance of any Certificate of Occupancy. The operation of the observatory is subject to approval and adjustment periodically as determined by Owner and the City Council.
12. **Employee Housing.** The Owner agrees to provide Employee Housing as provided by Ketchum Municipal Code and as set forth in an Employee Housing Plan, which shall be submitted by the Owner and approved by the City Council no later than April 6, 2016. Such plan shall include items set forth in Exhibit A. The approved Employee Housing Plan shall be added to this Agreement by addendum and recorded prior to issuance of a building permit. All required employee housing shall be available no later than six months after the issuance of any certificate of occupancy for the PUD property. Security for the employee housing shall be provided in the form of either a letter of credit issued by a bank, a set-aside agreement with the lender, or a lien on the property in favor of the City sufficient to cover the Employee Housing requirement.
13. **Condominium Plat.** A condominium plat shall be submitted by the Owner and recorded, pursuant to KMC 16.04.060, to allow for financing of the improvements and individual sale of private residential units. The condominium plat and an operations management plan must be approved by the City prior to recording. The individual condominium units and the commercial and/or common area units shall be use restricted through a recorded declaration of covenants and restrictions.
14. **Relocation of Overhead Distribution Power Lines.** Owner shall contribute a pro rata share based on total linear feet to the underground relocation of overhead utility lines in the vicinity of the Project. The pro rata share shall be based on the frontage of the Property along Main Street, Leadville Avenue, and River Street. Said contribution shall be utilized by the City solely for the relocation of power lines from overhead to underground in the vicinity of the Property. Staff shall bring alternatives to the Council regarding the payment method within six (6) months of the Effective Date of this Agreement.
15. **Conditions of Approval.** Owner agrees to comply with all conditions incorporated into the PUD Conditional Use Permit. Any and all approvals as adopted or amended as listed in Section 2, shall be valid until May 6, 2016. These approvals may be retained by Owner and the validity date extended past May 6, 2016 by Owner submitting a building permit application by May 6, 2016, provided the requirements of Section 7 have been met.

In the event Owner has need to revise the approvals listed in Section 2, the following schedule shall be observed to provide Owner the best opportunity to submit a complete building permit by May 6, 2016:

- If necessary, a preliminary plat must be submitted to the City no later than December 15, 2015.

- Application for Conditional Use Permit (CUP) to amend the Planned Unit Development (PUD) approval of 2008 shall be submitted no later than January 15, 2016.
- Application to amend the Design Review approval of 2008 shall be submitted no later than January 15, 2016.
- Revised Construction Mitigation Plan shall be submitted to the City no later than March 6, 2016.
- Complete Building Permit Application and applicable fees shall be submitted to the City no later than May 6, 2016.
- A Certificate of Occupancy shall be issued for the Project no later than 30 months after the Building Permit is issued.

Owner acknowledges the public processes required to amend the approvals listed in Section 2 provide no guarantees of timelines for approval and even by observing the schedule above, Owner may not be in a position to submit a complete building permit application by May 6, 2016.

16. **Amendment of Agreement.** This Agreement shall be amended or cancelled, in whole or in part, only by the mutual consent of the parties, executed in writing.
17. **Remedies.** This Agreement shall be enforceable in any Court of competent jurisdiction by either City or Owner or by any successor or successors in title or interest or by the assigns of the parties hereto, unless otherwise expressly provided in paragraph 21, below. Enforcement may be sought by an appropriate action at law or in equity to secure the performance of the covenants, agreements, conditions, and obligations contained herein. In the event of a material breach of this Agreement, the parties agree that the City and Owner shall have sixty (60) days after delivery of notice of said breach to correct the same prior to the non-breaching party's seeking of any remedy provided for herein, provided, however, that in case of any such default which cannot with diligence be cured within such sixty (60) day period, if the defaulting party shall commence to cure the same within such sixty (60) day period and thereafter shall prosecute the curing of the same with diligence and continuity, then the time within which such failure may be cured shall be extended for such period as may be necessary to complete the curing of the same with diligence and continuity.
18. **Mediation.** Prior to either party filing suit, the parties shall participate in a minimum of one mediation session to determine if a resolution can be reached. The mediator shall be agreed to by both parties and the cost of mediation shall be split between the parties.
19. **Default.** In the event the Owner fails to comply with the terms and conditions hereof in any material respect, and such default is not cured after reasonable written notice to Owner, Ketchum may, without further notice to Owner, exercise any or all of the following remedies until the default is cured:
- a. Withhold the issuance of a certificate of occupancy of any structure or unit located within the PUD;
 - b. Withhold the connection of water or sewer to any structure or unit located within the PUD;

- c. Refuse to accept public ownership and maintenance of public improvements within the PUD and record a notice of such action with the Blaine County Recorder's office;
- d. Issue a stop work order for any building or unit under construction within the PUD;
- e. Bring an action for damages, injunctive relief, specific performance or any other remedy available at law or in equity;

All of the above remedies are cumulative and to the extent not wholly inconsistent with each other, may be enforced simultaneously or separately, at the sole discretion of the Ketchum.

In the event that City fails to comply with the terms and conditions hereof in any material respect, and such default is not cured after reasonable written notice to City, Owner may, without further notice to City, exercise any and all remedies available under law or in equity.

20. Miscellaneous Provisions.

- a. Covenant Running with the Land/Successors and Assigns. Unless this Agreement is modified by mutual written agreement of the Parties or terminated by City, this Agreement and all conditions, terms, duties and obligations included in this Agreement shall be binding upon Owner, each subsequent owner of the Property and every person or entity acquiring any interest in the Property. This Agreement shall constitute a covenant running with the land burdening the Property in favor of City and shall be binding upon Owner, its successors in interest, personal representatives, heirs, vendees and assigns. Nothing herein shall in any way prevent sale or alienation of the Property, or portions thereof, except that any sale or alienation shall be subject to the provisions hereof, except as provided below, and any successor owner or Owner shall be both benefited and bound by the conditions and restrictions herein expressed. The words "successors" and "assigns" as used in this Agreement shall include all successors, assigns, personal representatives, administrators, trustees and holders of a security interest in the PUD Property or any portion thereof or interest therein except for purchasers of condominiums as designated in Section 13 (a) and 13 (b) of this Agreement. Nothing contained herein shall be deemed or construed to create any third party beneficiaries or third party rights. Upon conveyance of a condominium unit as designated in Section 13 (a) and 13 (b) of this Agreement to a third party, the lien and encumbrance of this Agreement shall be automatically released from said unit and a prospective third party purchaser, lender and all title insurers are entitled to rely upon said release.
- b. Force Majeure. In the event the performance of any covenant to be performed hereunder by either Owner or the City is delayed for causes which are beyond reasonable control of the party responsible for such performance, which shall include without limitation, acts of God (such as but not limited to fires, explosions, earthquakes, drought and floods); war, hostilities, invasion, act of foreign enemies; acts of civil disobedience, rebellion, revolution, insurrection or

civil war; contamination by radioactivity; riot, commotion, lock-outs or disorder, strikes; discontinuance of electrical supply; any litigation which directly or indirectly prevents or interrupts construction or would cause a reasonably prudent person to delay the commencement or continuation of construction pending the final resolution of such litigation; acts of terrorism; or similar causes, the time for such performance shall be extended by the amount of time of such delay.

- c. **Waiver.** Any waiver of any of the terms or conditions of this Agreement by City or Owner must be in writing to be effective and shall apply solely to the breach and breaches waived and shall not bar any other rights or remedies of City or Owner of applying to any subsequent breach of any such or other covenants and conditions.
- d. **Notices.** Any and all notices, demands, requests, and other communications required to be given hereunder by either of the parties hereto shall be in writing and be deemed properly served or delivered if delivered by hand to the party to whose attention it is directed, or when sent, seven (7) days after deposit in the U.S. Mail, postage pre-paid, or upon the sending of a facsimile, followed by a copy sent by U.S. Mail as provided herein, addressed as follows:

City: City of Ketchum
c/o Planning & Zoning Administrator
Post Office Box 2315
Ketchum, Idaho 83340
(208) 726-7801 Phone
(208) 726-7812 Fax

Owner: Jack E. Bariteau, Jr.
Trail Creek Fund, LLC
Post Office Box 84
Sun Valley, Idaho 83353
(650) 906-5636 Phone
(208) 727-1091 Fax

With a copy to: Lawson Laski Clark & Pogue, PLLC
675 Sun Valley Road, Suite A
Post Office Box 3310
Ketchum, Idaho 83340
(208) 725-0055 Phone
(208) 725-0076 Fax

Or at such other address, or facsimile number, or to such other party which any party entitled to receive notice hereunder designates to the other in writing as provided above.

- e. **Attorney Fees.** In the event either party to this Agreement is required to retain the services of an attorney to enforce its rights hereunder, the defaulting party shall

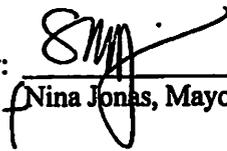
pay to the non-defaulting party reasonable attorney fees and costs incurred as a result of such default whether or not litigation is commenced and including reasonable attorney fees and costs on appeal.

- f. **Time is of the Essence.** The parties hereto acknowledge and agree that time is hereby made expressly of the essence with respect to each and every term, condition, and provision hereof, and that the failure to timely perform any of the obligations hereunder shall constitute a breach of and a default under this Agreement by the party so failing to perform.
- g. **Effective Date of Agreement.** This Agreement shall be effective as of the date approved by the City Council.
- h. **Requirement for Recordation.** Owner shall record this document, including all of the Exhibits, and submit proof of such recording to the City. Failure to comply with this section shall be deemed a default of this Agreement by Owner.
- i. **No Precedent.** The issuance of the PUD Conditional Use Permit shall not be considered a binding precedent for the issuance of other PUD conditional use permits. The permit is not transferable from one parcel of land to another.
- j. **Police Powers.** Nothing contained herein is intended to limit the police powers of the City. This Agreement shall not be construed to modify or waive any law, ordinance, rule, or regulation, including without limitation, applicable building codes, fire codes, zoning ordinances, subdivision ordinances, or comprehensive plan provisions, unless expressly provided herein.
- k. **Final Agreement.** This Agreement sets forth all promises, inducements, agreements, conditions, and understandings between Owner and the City relative to the subject matter hereof, and there are no promises, conditions, or understandings, either oral or written, express or implied, between Owner and the City, other than as stated herein. Except as herein otherwise provided, no subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon the parties hereto unless reduced to writing and signed by them or their successors in interest or their assigns, and pursuant, with respect to the City, to a duly adopted ordinance or resolution of the City.
- l. **No Presumptions.** There shall be no presumptions for or against either party hereto as a result of the preparation of this Agreement.
- m. **Invalid Provisions.** If any provision of this Agreement is held not valid, such provision shall be deemed to be excised there from and the invalidity thereof shall not affect any of the other provisions contained herein.
- n. **Choice of Law.** This Agreement shall be governed by the laws and decisions of the state of Idaho.

IN WITNESS WHEREOF, the parties, having been duly authorized, have hereunder caused this Agreement to be executed on the day and year first-above written, the same being done after public hearing, notice and statutory requirements having been fulfilled.

“CITY”:

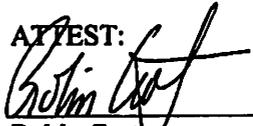
CITY OF KETCHUM,
an Idaho municipal corporation

By: 
Nina Jonas, Mayor

“OWNER”:

TRAIL CREEK FUND, LLC,
a California limited liability company

By: 
Jack E. Bariteau, Jr., Managing
Member

ATTEST:

Robin Crotty
Interim City Clerk

APPROVED AS TO FORM AND
CONTENT EXCLUSIVELY FOR
THE CITY OF KETCHUM:


Susan Buxton, City Attorney

ACKNOWLEDGEMENT FOR CITY

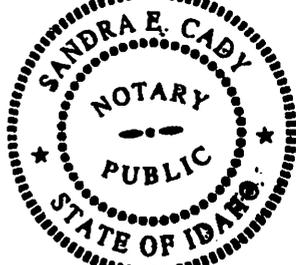
STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

SUZANNE FRICK

City Administrator

On this 6th day of October, 2015, before me, the undersigned Notary Public in and for said State, personally appeared ~~Nina Jones~~, known or identified by me to be the Mayor of the City of Ketchum, Idaho, and the person who executed the foregoing instrument and acknowledged to me that he executed the same on behalf of such city.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first written above.



Sandra E. Cady
Notary Public for the State of ID.
Residing at Blaine County
My Commission Expires 11-20-2019

ACKNOWLEDGEMENT FOR OWNER

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On this 28 day of OCTOBER, 2015, before me, a Notary Public in and for said State, personally appeared JACK E. BARITEAU, JR., known to me to be the Managing Member of Trail Creek Fund, LLC, a California limited liability company, and known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Lily Opale
Notary Public for the State of IDAHO
Residing at KETCHUM, ID
My Commission Expires 01/27/2018

Exhibit A

1. A construction staging and mitigation plan, including at a minimum provisions for off-site employee parking, off-site storage of bulk materials, and required right-of-way encroachments during construction, shall be submitted and approved by the City Engineer and the Director of Planning and Building, prior to issuance of a building permit.
2. Right-of-way encroachments including retaining walls and landscape beds, and curblin alignment, slope and drainage, and ADA design issues shall be resolved to the satisfaction of the City Engineer and ITD prior to the issuance of a building permit.
3. All water, sewer and other utility main lines, service lines, manholes and fire hydrants shall be maintained or improved as required by the Ketchum Water and Sewer Department.
4. The proposed development shall be completed as set forth in the design review and CUP approvals and the Planned Unit Development agreement. The PUD Development Agreement shall include, but not be limited to, provisions for the following:
 - Community/workforce housing- as required in condition #9, below.
 - Contribution to underground relocation of overhead utility lines.
 - Public pedestrian amenities to be included within adjacent street rights-of-way.
 - Development of a Construction Activity Standards Plan
 - Minimum access for the public to the observatory.
5. The applicant shall provide a detailed Employee Housing Plan, which provides for housing for 18 employees on a site acceptable to the Ketchum City Council, and within Ketchum City limits.

The following elements shall be required in the Employee Housing Plan:

- a) Provide salary/hourly wages for the various income categories of employees.
- b) The expected number of each level of employee that is intended to be served by the employee housing units.
- c) Which employee category will be served by which type/size of units.
- d) Provide information on anticipated rental rates or subsidized and/or free rent to employees; will utilities and homeowners dues (if any) be included in proposed rates.
- e) Establishment of maximum occupancy per unit type (i.e. 1 person per 1 bedroom unit; 2 persons per 2 bedroom units).
- f) Location of units to be within Ketchum City limits.

- g) Provide a matrix on breakdowns of the different types of units (1BD; square footage; total number of units; anticipated rent, etc.)
- h) Create a priority for occupancy program of these units; (i.e. first availability employees that are full-time, secondly to seasonal employees, and third to persons that are verified to be working in the City of Ketchum.
- i) What units will be available and how will the pool of units available be determined.
- j) What minimum standards will be used to determine employee eligibility to live in the employee housing; is full-time status required for employees to qualify for the employee housing and what constitutes full-time status.
- k) How will overflow of demand of units by employees be handled; will there be a priority system.
- l) Provide information on housing families (with children) and/or married couples.

The proposed Employee Housing shall meet minimum size thresholds and income categories established by BCHA.

The following information shall be provided to the City:

- o Wage/salary range and a breakdown the number of employees within the aforementioned classifications
- o Information on type of housing provided per employee classification
- o Costs incurred in rent (and utilities) and transportation/parking by employees
- o Details on anticipated lease terms/rental agreements for employees housed on-site
- o Anticipated transport and parking scenarios for both on-site and commuting employees.

The Employee Housing Plan shall be submitted and approved by the City Council prior to issuance of a building permit. This plan shall be an exhibit to an amendment to the PUD agreement and recorded prior to issuance of a building permit.

- 6. A privacy wall or landscaping buffer shall be developed as a buffer for the 200 South Leadville Townhomes.
- 7. Operational hours for the observatory shall be developed that provides for access for the public, schools and other interest groups.
- 8. This PUD CUP approval is contingent upon the approval of the Design Review/Waterways Design Review application.
- 9. The setback for the southernmost penthouse condominium unit adjacent to Leadville Avenue shall be increased to ten feet (10') either by reducing overhangs or other means.

10. **Prior to issuance of any building permits, a plan shall be brought back to the City Council showing a third lane (through lane) instead of a dedicated right turn lane on Highway 75/Main Street, including consultation with the Idaho Transportation Department.**
11. **A PUD - Conditional Use Permit shall be issued in writing. The issuance thereof shall not be considered a binding precedent for the issuance of other conditional use permits. A conditional use permit is not transferable from one parcel of land to another.**
12. **Failure to comply with any condition or term of said permit shall cause said permit to be void ab initio. A PUD - Conditional Use Permit may be revoked at any time for violation of the permit or any condition thereof by motion of the City Council after a due process hearing upon ten (10) days written notice to the holder of the PUD - Conditional Use Permit.**
13. **All projects receiving a PUD - Conditional Use Permit, as a condition of said permit, shall be required to submit and receive design review approval for each structure to be constructed within the project prior to making application for a building permit irrespective of what zoning district or districts within which the project is located.**

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Micah Austin
City of Ketchum
Post Office Box 2315
Ketchum, Idaho 83340

Instrument # 635897
HAILEY, BLAINE, IDAHO
06-22-2016 9:49:37 AM No. of Pages: 11
Recorded for: BLAINE COUNTY TITLE
JOLYNN DRAGE Fee: \$40.00
Ex-Officio Recorder Deputy: JB
Electronically Recorded by Simplifile

**CORRECTED AMENDMENT TO THE AMENDED
AND RESTATED DEVELOPMENT AGREEMENT
(City of Ketchum/Trail Creek Fund, LLC, et al.)**

This Corrected Amendment to the Amended and Restated Development Agreement (“Corrected Amendment”) is made as of June 21, 2016, by the City of Ketchum, Idaho (“Ketchum”), a municipal corporation.

1. **Recitals.** This Corrected Amendment is made in contemplation of the following facts and purposes:

1.1 The City entered into that certain Amended and Restated Development Agreement as of October 5, 2015, and recorded in the records of Blaine County, Idaho as Instrument No. 630816 (the “Amended Agreement”) with Trail Creek Fund, LLC, a California limited liability company (“Owner”). The Amended Agreement related to certain approvals by the City for development of Owner’s real property located at 200 South Main Street, Ketchum, Idaho, legally described as Lot 2 of Block 83, of the City of Ketchum, according to the official plat thereof, on file in the office of the County Recorder of Blaine County, Idaho (the “Property”).

1.2 Pursuant to Section 12 of the Amended Agreement, Owner was required to obtain approval by the City Council of an Employee Housing Plan no later than April 6, 2016, which approved plan was required to be added to the Amended Agreement “by addendum and recorded prior to issuance of a building permit.” (Amended Agreement, §12).

1.3 The Employee Housing Plan was submitted by letter to the City on April 5, 2016 and was approved by the City Council on April 4, 2016. The approved Employee Housing Plan and amendment to the Amended Agreement was executed by the Parties and recorded on April 22, 2016 in the records of Blaine County as Instrument No. 634489 (the “Housing Amendment”).

1.4 The Housing Amendment included a reference to properties located at 100 East 6th Street and North 1st Avenue, Ketchum, Lots 5 & 6 of Block 35, respectively, which properties were not owned by Owner at the time the Housing Amendment was recorded. The Parties agree that the Housing Amendment was intended to be recorded in connection with, and as an amendment/addendum to, the Amended Agreement, and that the properties identified in the Housing Amendment were not intended to be encumbered, and are not encumbered, by the Housing Amendment.

2. **Corrected Amendment.** In view of the foregoing recitals, the Parties have agreed to correct the Amended Agreement as follows:

2.1 The approved Employee Housing Plan is hereby added as Exhibit B to the Amended Agreement.

3. Construction. This Corrected Amendment and the Amended Agreement constitute one agreement between the Parties.

4. Ratification. The Amended Agreement, as corrected by this Corrected Amendment, is hereby ratified and affirmed. This Corrected Amendment is executed by the Parties as of the date first above written.

IN WITNESS WHEREOF, the City, having been duly authorized, has hereunder caused this Corrected Amendment to be executed on the day and year first above written, and hereby requests recording of the Corrected Amendment as an amendment to the Amended Agreement.

CITY OF KETCHUM
an Idaho municipal corporation

By: 
Suzanne Frick, City Administrator

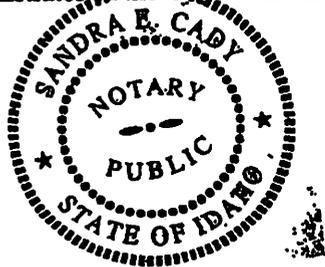
Attest:


Robin Crotty, Interim City Clerk

ACKNOWLEDGMENT FOR CITY

STATE OF IDAHO)
) ss.
County of Blaine)

On this 21st day of June, 2016, before me, a Notary Public in and for said State, personally appeared Suzanne Frick, City Administrator of the City of Ketchum, Idaho, known or identified to me to the person whose name is subscribed to the within instrument as the City Administrator of the City of Ketchum, Idaho, and acknowledged to me that she executed the same as City Administrator of the City of Ketchum, Idaho.



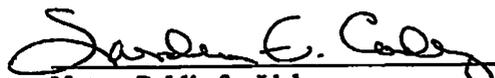

Notary Public for Idaho
Residing at Blaine County
Commission expires 11-22-2019

EXHIBIT "B"

April 5, 2016

**Jack Bariteau
Managing Member
Trail Creek Fund LLC
P. O. Box 84
Sun Valley, Idaho 83353**

**Micah Austin, AICP
City of Ketchum Planning and Building Director
480 East Avenue North, P.O. Box 2315
Ketchum, Idaho 83340**

AUBERGE RESORT SUN VALLEY – EMPLOYEE HOUSING PLAN

Dear Micah:

Trail Creek Fund LLC is pleased to provide the City of Ketchum with our draft Employee Housing Plan, a requirement of the Amended and Restated Development Agreement between Trail Creek Fund LLC, owner and developer of the Auberge Resort Sun Valley hotel and residence development project and the City of Ketchum that was approved on October 5, 2015. The requirements set forth in the Agreement are here reprinted in a lesser font than our response for your ease of reference.

The applicant shall provide a detailed Employee Housing Plan, which provides for housing for 18 employees on a site acceptable to the Ketchum City Council, and within Ketchum City limits.

Our approach to providing the employee bed requirement as originally contained in the Development Agreement approved for the development in 2008 is based on delivering in Ketchum living to our employees. We will provide separate living arrangements for all of the required employee beds to reflect the number of employees we need to provide for under the City's employee housing formula. We have also met with David Patrie, Director of the Blaine County Housing Authority, for his input and guidance on the employee housing plan we intend to implement if approved by the City Council. As the only lodging development (Limelight Hotel is exempt) or other commercial development to date ever to be required to provide employee housing, we see the mission of providing

Trail Creek LLC – Employee Housing Plan – 05 April 2016

this housing as one which must be innovative in design and developed by entirely different financial model and method. The housing must be highly suitable and attractive living units for our future employees as we see this housing being provided as part of the overall salary package for qualified employees who elect to occupy the housing to be constructed in a separate development project that our ownership or an affiliated ownership will bring forward to the City after we have received the City Council's blessing on our approach to creating this housing stock. The highlights of this approach are as follows:

- 1. The City's formula for providing employee housing was originally calculated at a ratio of 25% of total employees assuming a 1 to 1 ratio of employees to hotel rooms. For a 73 room hotel this resulted in the 18 employees to be housed per the Development Agreement. If recalculated for the revised 65 hotel room count, the revised requirement would be 16, but we will agree to hold to the 18 requirement. A classic and traditional approach to creating this housing would be to build a dormitory style level of living with common kitchen, restroom and storage components. Our most readily accessible example of this housing is the employee housing built to serve the Sun Valley Lodge and Inn properties. In our view this model is unsuitable for the labor pool. To attract the level of employee that the Auberge hotel will require whether recruiting within or without the Wood River Valley market, the employee living unit must provide a sense of well thought architectural design that provides for ease of accessibility, privacy and convenience. Our conclusion is that we must find a way to build an apartment component as part of a larger mixed residential project as the economics of developing this project on a stand-alone basis and supported solely by the hotel do not work.**
- 2. The only feasible way that the hotel can support the development of the employee housing is for it to be built as part of another residential project containing market rate for sale housing located above the employee housing. As you are aware our development is also obligated to pay an in lieu fee against the non-hotel room component of the project so allocating more precious project dollars away from the hotel construction and operations to produce employee housing is a non-starter. Market rate housing will in effect subsidize the development of the employee housing and make the project financeable to build as a separate project with a master lease and lump sum annual rental of the employee housing units by the hotel developer for a minimum of 20 years. This burden has been factored into the hotel annual operating budget for the hotel and will permit the hotel operator maximum flexibility to place approximately 19% of its projected first year of operation 85 employee work force into this housing. Hotel operations intends to offer this housing to full time employees across the spectrum of mid and lower**

tiers of the fulltime job workforce (as delineated on the attached TRI Project Salary Schedule prepared by Auberge Resorts for the Idaho Commerce Department) as they are hired. It is not anticipated that upper tier employees earning in excess of \$80,000 per year will locate in employee housing given the anticipated level of experience, financial net worth and larger housing preferences of these individuals.

3. The site we have identified for the Employee Housing is at the corner of 1st Avenue and 6th Street in downtown Ketchum. It is comprised of two adjacent 55' x 100' sites identified as 100 East 6th Street and 560 North 1st Avenue, Ketchum Lots 5 & 6 of Block 35 respectively. The site is zoned for this use and we have planning studies in progress that show it to be well suited for this project.

As you are aware, the applicant, Trail Creek Fund LLC, shall provide a detailed Employee Housing Plan (which originally provided for housing for employee housing equal to 18 beds for 73 rooms in the original hotel room layout) in the hotel project as approved by the City of Ketchum on a site acceptable to the Ketchum City Council, and within City of Ketchum City limits. The project plan has now evolved into a 65 room hotel, but as stated above we will hold to the 18 employee bed requirement. The applicant, Trail Creek Fund LLC, intends to entitle and construct a separate three story real estate project within the City Limits at one of two possible locations that will create this employee housing and that is specifically designed for use by the hotel employees as part of their employee compensation plan. The development envisioned is unique in its goal to create on grade, street present walk up apartment housing in smaller configurations from 400 to 750 square feet versus providing a dormitory style level of living. The upper two levels of the three story structure would consist of three market rate flats on the second floor and two penthouses on the third floor. In plan, the building would be located on two 5,500 square foot lots combined into an 11,000 square foot lots. Our preliminary plans indicate that 12 apartments could be developed over underground parking and storage with two levels of market rate housing above. The 18 employees would be accommodated in the ground floor developed as a single condominium unit that will be master leased by Trail Creek Fund LLC, the developer and owner of the completed hotel project for the exclusive use Auberge Resorts employees. The apartment units would be provided to qualifying employees as part of their salary package with no rent charged to the employee. The employees selected would be responsible for payment of utilities and personal communications services including internet and cable and phone. Each apartment would be designed and fitted out to provide front door street entry, window line to the street, full kitchens and private bathroom and closet spaces with adequate storage provided for bicycles, ski and snow equipment and general storage needs in the underground garage. One parking space per apartment would be provided in the underground garage.

The following elements shall be required in the Employee Housing Plan:

- a) Provide salary/hourly wages for the various income categories of employees.

The hotel operated and managed by Auberge Resorts Collection under a long term management contract with our ownership, Trail Creek Fund LLC, is projected to employ 85 employees and workforce positions per the attached TRI Project Salary Schedule prepared by Auberge Resorts Collection. Please refer to this schedule for annual salary projections.

- b) The expected number of each level of employee that is intended to be served by the employee housing units.

The job descriptions and salaries on the Project Salary Schedule range significantly between upper senior management and the lowest entry position. The intention of Trail Creek Fund LLC and Auberge Resorts is to recruit and find the right combination of employees in all categories. We see the middle and lower tier employees of the Salary Schedule as ideally qualified to apply for this employee housing.

- c) Which employee category will be served by which type/size of units.

It is anticipated that all but the top level of management and pay grade would be eligible for the apartments or a pool of over 70 employees.

- d) Provide information on anticipated rental rates or subsidized and/or free rent to employees; will utilities and homeowners dues (if any) be included in proposed rates.

There are no rental rates proposed as the apartments will be offered to the employees at no charge other than payment of utilities and prorated homeowner dues reimbursed to the master lessee. Property taxes will be paid by Trail Creek Fund LLC under its master lease obligations.

- e) Establishment of maximum occupancy per unit type (i.e. 1 person per 1 bedroom unit; 2 persons per 2 bedroom units).

All apartments as planned in the development will be a combination of single and double occupancy units as best fits the plan to provide for the total 18 employee required occupancy.

- f) Location of units to be within Ketchum City limits.

The apartments will be located within the City of Ketchum on one of two preferred sites under consideration, one within walking distance of the hotel project and the other a short ride to the city center readily accessible via public transportation, bicycle or car.

Trail Creek LLC – Employee Housing Plan – 05 April 2016

- g) Provide a matrix on breakdowns of the different types of units (1BD; square footage; total number of units; anticipated rent, etc.)

The units will be a combination of studios, one-bedroom, and two-bedroom apartments ranging from 400 SF to 750 SF as is necessary to meet the 18 employee housing requirement. All units will be provided rent free to the employees.

- h) Create a priority for occupancy program of these units; (i.e. first availability employees that are full-time, secondly to seasonal employees, and third to persons that are verified to be working in the City of Ketchum.

All units will be needed for fulltime employees and spouses if married.

- i) What units will be available and how will the pool of units available be determined.

All apartment units will be available within 6 months of Certificate of Occupancy for the hotel as agreed in the last Amendment of the Development Agreement and upon completion of the employee housing portion of the project. The employee apartments are all on the ground floor of the proposed building.

- j) What minimum standards will be used to determine employee eligibility to live in the employee housing; is full-time status required for employees to qualify for the employee housing and what constitutes full-time status.

The minimum standard for employee eligibility will be execution of an employment contract for full time work for at least one calendar year. Fulltime work is a 40 hour work week five days a week or a flexible schedule of longer hours and fewer days as to be determined by Auberge Resorts management.

- k) How will overflow of demand of units by employees be handled; will there be a priority system.

We will not be able to provide for overflow employee housing beyond the 18 bed requirement as the hotel project is incapable of financially supporting this subsidy to be successful in the long term. It is anticipated that employees recruited and located within our employee housing will experience the benefits of living in the City of Ketchum and eventually matriculate to more traditional and larger forms of housing. The normal pattern of life may lead to the establishment of families needing larger types of housing creating a turnover of employee housing for those individuals who find employment with Auberge in future years as employees accommodated in the employee housing project relocate.

- l) Provide information on housing families (with children) and/or married couples.

We do not see the employee housing in the apartments as suitable for families but do anticipate double occupancy by married couples as a possibility in a number of the apartments.

The proposed Employee Housing shall meet minimum size thresholds and income categories established by BCHA.

The following information shall be provided to the City:

- Wage/salary range and a breakdown the number of employees within the aforementioned classifications

See attached employee and salary schedule.

- Information on type of housing provided per employee classification

At this juncture, the apartment portion of the building will consist of studios, one-bedroom, and two-bedroom units, some appropriate for possible double occupancy.

- Costs incurred in rent (and utilities) and transportation/parking by employees

No costs for rent other than utilities, homeowner dues, and personal communication services are forecast. These exact costs are all unknown at this time. Underground parking for one car per apartment is provided. Transportation costs are not calculated given the short walking distance from the preferred employee housing site to the hotel.

- Details on anticipated lease terms/rental agreements for employees housed on-site

There are no hotel employees that will be housed within or on the hotel premises. Employment by the hotel company will dictate the employee qualifying for the employee housing to be provided by hotel ownership.

- Anticipated transport and parking scenarios for both on-site and commuting employees.

No onsite parking will be available for the entire work force in the hotel garage although a valet managed parking system may provide for potential employee parking opportunities for those employees other than the employees housed in the apartment units provided by Trail Creek Fund LLC.

The Employee Housing Plan shall be submitted and approved by the City Council prior to issuance of a building permit. This plan shall be an exhibit to an amendment to the PUD agreement and recorded prior to issuance of a building permit.

Trail Creek LLC – Employee Housing Plan – 05 April 2016

This completes our Employee Housing Plan for Auberge Resort Sun Valley as provided by Trail Creek Fund LLC. Our ownership looks forward to working with you and the City of Ketchum to implement this plan. We are always available to discuss any additional questions you may have.

Best Regards,

Trail Creek Fund LLC

A handwritten signature in black ink, appearing to read "Jack Bariteau, Jr.", is written over two horizontal lines. The signature is stylized and cursive.

**Jack Bariteau, Jr.
Managing Member**

Attachment 4

Agency Funded Public Improvements

Auberge Resort San Valley
Off-Site Improvements w/ Power Line Options



Revised 12/11/2016	Estimated Costs										Previous	Current	Total	Notes
	Qty.	13% W	Unit	Unit \$	Material	Labor	Subs	Others	Total					
Division 1 - General Conditions														
01000 Survey							\$ 3,200.00	\$	\$ 3,200.00					Current to Date expense \$
01040 Project Manager							\$ 2,900.00	\$	\$ 2,900.00					Current to Date Expense \$
01041 Civil Engineering							\$ 7,500.00	\$	\$ 7,500.00					
Landscape Design							\$ 7,500.00	\$	\$ 7,500.00					
02045 Mechanical Engineering							\$ 1,800.00	\$	\$ 1,800.00					
02054 General Liability Insurance - <u>Actual Cost</u>							\$ 7,800.00	\$	\$ 7,800.00		\$ 4,851.00			ROW Schematics Pre Rata Allocation
Permits and Fees							\$ 4,407.00	\$	\$ 4,407.00		\$ 4,407.00			Current to Date Expense \$ 4,851.00
IPCO Engineering Service - <u>Actual Cost</u>							\$ 6,214.00	\$	\$ 6,214.00		\$ 6,214.00			Pre rata allocation for Water, Sewer, Gas
IDOT Permit- <u>Actual Cost</u>							\$ 30.00	\$	\$ 30.00		\$ 30.00			IPCO Service
Total					\$ -	\$ -	\$ 18,800.00	\$ 23,971.80	\$ 42,771.80					
Division 2- Sitework within the Public ROW														
02025 Idaho Power West Side Undergrounding							\$ 519,279.00	\$	\$ 519,279.00					IPCO Overhead/Underground from River to # 20, To Gsm \$ 680,684
02025 Idaho Power East Side Undergrounding							\$ 43,342.00	\$	\$ 43,342.00					IPCO Overhead/Underground East
02200 Excavation & Grading	11824		SF	\$ 2.25			\$ 26,194.00	\$	\$ 26,194.00					
02510 Asphalt Base Work	7805	8975.75	SF	\$ 0.95			\$ 8,524.96	\$	\$ 8,524.96					4" of 3/4" gravel
02510 Asphalt	7805	8975.75	SF	\$ 2.85			\$ 21,093.01	\$	\$ 21,093.01					3" compacted asphalt on leadwells and hwy.
Drums & Disposal of Asphalt road							\$ 3,200.00	\$	\$ 3,200.00					Leadwell Ave. asphalt removal
Saw Cut	450		LF	\$ 3.00			\$ 1,350.00	\$	\$ 1,350.00					Assuming 2.5' cut @ \$3 ft.
Tree Removal in State ROW - <u>Actual Cost</u>							\$ 2,000.00	\$	\$ 2,000.00					West side
02200 Sewer Line Relocation - <u>Actual Cost</u>	106		LF	LS			\$ 69,940.00	\$	\$ 69,940.00		\$ 69,940.00			18" Sewer relocation south end of building Labor & Materials
Demo Old Line							\$ -	\$	\$ -					demo and dispose old line
Relocation Sewer Line Install	106	121.9	LF	\$ 120.00			\$ -	\$	\$ -					18" Main with shoring box
Slurry Mix. Sewer Line	6	6.9	LF	\$ 50.00			\$ -	\$	\$ -					Slurry mixture
Manhole Covers	3		CITY	\$ 3,740.00			\$ -	\$	\$ -					60", 48"
Bypass Line							\$ 7,087.00	\$	\$ 7,087.00		\$ 7,087.00			IPCO
Relocate Power Pole - <u>Actual Cost</u>							\$ -	\$	\$ -					
Catch Basin Pipe	120	138	LF	\$ 11.34	\$ 1,564.92		\$ -	\$	\$ 1,564.92					12" PVC Location: North end of building connecting catch basin, sand and grease trap, and drywells.
Catch Basins	4		CITY	\$ 2,950.00			\$ 11,800.00	\$	\$ 11,800.00					Installed
Drywell 5' Diameter	2		CITY				\$ 4,200.00	\$	\$ 4,200.00					
Drywell 10' Diameter	1		CITY				\$ 12,560.00	\$	\$ 12,560.00					
02200 Water Line							\$ -	\$	\$ -					
8" Water Line - <u>Actual Cost</u>	1		CITY				\$ 15,600.00	\$	\$ 15,600.00		\$ 15,600.00			Labor, Material, Asphalt repairs on River St
Terminate old 7" - <u>Actual Cost</u>	1		CITY				\$ 4,950.00	\$	\$ 4,950.00		\$ 4,950.00			
02510 Pavers	10765	12979.75	SF	\$ 12.00	\$ 148,557.00		\$ 27,854.44	\$	\$ 176,411.44					Includes sidewalk pathways, North entrance, West Sidewalks, East sidewalks and garage entrance
Night Turn Lane Paint							\$ 300.00	\$	\$ 300.00					
02800 Landscaping Allowance Balance							\$ 58,900.00	\$	\$ 58,900.00					Balance of Landscaping
02850 Irrigation	2575	2961.25	SF				\$ 14,560.00	\$	\$ 14,560.00					
Total					\$ 150,161.92	\$ -	\$ 857,686.81	\$ -	\$ 1,007,848.73					
Division 3- Concrete Sidewalks, Curb & Gutter														
1" Curb and Gutter	418	480.7	LF	\$ 47.00			\$ 19,644.00	\$	\$ 19,644.00					Location: North entrance of building
6" Reverse Lip Vertical Curb & Gutter	205	235.75	LF	\$ 47.00			\$ 11,080.25	\$	\$ 11,080.25					Location: Northwest corner of building
6" Vertical Curb and Gutter	73	83.95	LF	\$ 47.00			\$ 3,943.65	\$	\$ 3,943.65					Location: West and East side of building
5" Concrete Valley Gutter	57	63.95	LF	\$ 47.00			\$ -	\$	\$ -					T&E
Truncated Dome	55	63.25	SF	\$ 47.00	\$ 170.00	\$ 200.00	\$ -	\$	\$ 370.00					\$25 each w/ shipping, North corners of building
Total					\$ 170.00	\$ 200.00	\$ 34,871.90	\$ -	\$ 35,041.90					
Division 4 - Masonry														
Fountains	2		LS				\$ 150,000.00	\$	\$ 150,000.00					2 fountains - allowance
Retaining Wall	6000	8900	SF	\$ 40.00			\$ 278,000.00	\$	\$ 278,000.00					Used 3" average for depth of wall
Total					\$ -	\$ -	\$ 278,000.00	\$ -	\$ 278,000.00					
Division 15- Mechanical														
Heated Section for asphalt	5827	6701.05	SF	\$ 12.00			\$ 80,412.60	\$	\$ 80,412.60					Only includes the asphalt on Leadville Ave East of the building
Heated Section for pavers	10765	12979.75	SF	\$ 12.00			\$ 148,557.00	\$	\$ 148,557.00					All pavers west, north and south of building, including entrance, driveway, and sidewalks
Total					\$ -	\$ -	\$ 228,969.60	\$ -	\$ 228,969.60					
Subtotal					\$ 150,311.92	\$ 200.00	\$ 1,409,177.91	\$ 23,971.00	\$ 1,733,620.83					6%
Fees									\$ 104,017.25					
Contingency									\$ 40,280.00					
Total Estimate					\$ 150,311.92	\$ 200.00	\$ 1,409,177.91	\$ 23,971.00	\$ 1,677,818.03					\$ 150,311.92 for 10% to Sum to Total \$ 2,000,000.00



Auberge Resort Sun Valley
Off-Site Improvements Scope of Work
Revised 12/12/2016

Off-Site Improvements Scope of Work

- West Side of Building**
 - Idaho Power Co. overhead power on the Auberge Site Retaining Walls
 - On Main St. construct a right turn lane that will include: new asphalt, saw cutting to provide a clean vertical edge, and painted lines
 - 6" concrete reverse lip vertical curb and gutter for 77 Feet
 - 6" Concrete Vertical Curb and Gutter for 74 Feet

- North Side of Building**
 - Heated pavers for drive-in and the entrance
 - 12" PVC to connect the Catch Basin, Grease and Sand trap, and the Drywell units placed underground
 - 1" Curb and gutters to be placed at the front entrance of the hotel
 - New Asphalt and saw cutting will continue through the whole north side of the building
 - Truncated Domes
 - Landscape
 - Art/Fountains

- East Side of Building**
 - Idaho Power Co. overhead power on the Auberge Site
 - 5827 sf of New Heated asphalt on Leadville avenue
 - 6" concrete reverse lip vertical curb and gutter for 129 Feet
 - Retaining walls that also includes the planter boxes
 - Saw cutting will be applied on Leadville Ave. to provide a clean vertical edge
 - Landscape

- South Side of Building**
 - 106' of 18" Sewer Line for sewer relocation
 - Landscape
 - Heated Pavers

REIMBURSEMENT PARTICIPATION AGREEMENT

THIS REIMBURSEMENT PARTICIPATION AGREEMENT ("Agreement") is entered into by and between the Ketchum Urban Renewal Agency, also known as the KURA, an independent public body, corporate and politic, organized and existing under the laws of the State of Idaho and known as the urban renewal agency of the City of Ketchum, Idaho ("Agency") and Doug Webb ("Participant"). Agency and Participant may be collectively referred to as the "Parties" and individually referred to as a "Party."

RECITALS

A. Participant owns or controls certain real property located at 191 E. 8th Street, Ketchum, Idaho (the "Project Site") which is more accurately described as Eighth and Washington Building Condo. The Project Site is undergoing redevelopment including construction of a mixed use residential and commercial building (the "Participant's Project").

B. As part of the Participant's Project, Participant intends to remediate certain Project Site conditions and redevelop the Project Site (the "Improvement Project"). The Improvement Project is more accurately depicted on attached **Exhibit A**.

C. The Participant's Project and the Improvement Project are located in the Ketchum Urban Renewal Plan (the "Plan") area, which consists of the Ketchum Urban Renewal Plan approved by the City Council on November 15, 2006, and the Amended Ketchum Urban Renewal Plan approved by the City Council on November 15, 2010 ("Ketchum Urban Renewal District"). The Plan includes various measures to mitigate and remediate the Ketchum Urban Renewal District. The Agency also adopted a Participation Policy on July 17, 2017.

D. The Improvement Project includes improvements of public infrastructure to replace over 200 feet of sidewalk along 8th Street and Washington Avenue, adjacent to the Project Site that are consistent with the objectives of the Plan. The Improvement Project will contribute to enhancing and revitalizing the Ketchum Urban Renewal District.

E. Agency deems it appropriate to assist the development of the Improvement Project to achieve the objectives set forth in the Plan.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Effective Date.** The effective date ("Effective Date") of this Agreement shall be the date when this Agreement has been signed by the Participant and Agency (last date signed) and shall continue until: (1) the completion of all obligations of each Party; or (2) twelve (12) months from the Effective Date, whichever comes first. At Agency's sole discretion an extension may be granted for a period not to exceed one year.
2. **Construction of the Improvement Project.** Participant agrees to construct the Improvement Project consistent with the following:
 - a. Remove and remediate certain Project Site conditions and backfill in order to enhance development of the Project Site.
 - b. The Parties agree that the Improvement Project is depicted on **Exhibit A**, with cost estimates for eligible items described in the Schedule of Eligible Costs in **Exhibit B** ("Estimated Eligible Costs"). Any other public improvements that are constructed by the Participant as part of the Participant's Project are not eligible for reimbursement pursuant to this Agreement. Additionally, Agency's reimbursement obligation is limited to the amount set forth in Section 6 of this Agreement.
3. **Initial Construction Funding.** Participant shall pay for all of the costs of construction for the Improvement Project. Agency acknowledges that the Schedule of Costs attached as **Exhibit B** is an estimate by Participant's contractor and that actual costs for the Improvement Project, as well as each line item of cost, may be more or less than is shown on **Exhibit B**.
4. **Notification of Completion; Inspection.** Upon completion of construction, Participant shall notify Agency in writing and request a final construction inspection and/ or a meeting with Agency to determine if the Improvement Project meets the requirements of this Agreement. Agency shall provide Participant with written confirmation that the Improvement Project has been completed in compliance with this Agreement.
5. **Determining Actual Payment after Completion of Construction.** Participant shall provide appropriate documentation ("Cost Documentation") to Agency that Participant has expended funds for eligible costs in order to receive payment per

the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant's notification to Agency that construction of the Improvement Project is complete and shall include:

- a. Schedule of values that includes line items for the Improvement Project improvements approved by Agency for reimbursement so they are identifiable separate from other line items ("Schedule of Values").
- b. Invoices from Participant's general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g. excavation, material fill, pavement, etc.). Invoices shall specify quantities and unit costs of materials, and a percentage estimate of how much material was used for the Improvement Project in comparison to the amount used for the remainder of Participant's project ("Invoices").
- c. Explanation of any significant deviation between the initial cost estimates in **Exhibit B** and the actual costs in the Cost Documentation as requested by Agency.
- d. Additional documentation or clarifications may be required and requested by Agency.

Agency shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Participant to Agency prior to construction. In the event Participant fails to timely deliver the Cost Documentation, Agency may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Participant with written notice of such default. Participant shall have thirty (30) days from such written notice to cure the default. In the event Participant fails to cure such a default, Agency's payment obligations under this Agreement may be terminated in Agency's sole discretion.

Within fifteen (15) calendar days of Agency's receipt of the Cost Documentation, Agency will notify Participant in writing of Agency's acceptance or rejection of the Cost Documentation and Agency's determination of the Actual Eligible Costs to be reimbursed. Agency shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in **Exhibit B**. **In no event shall the total for the Actual Eligible Costs exceed the amount allowed by Section 6.**

If Participant disagrees with Agency's calculation of the Actual Eligible Costs, Participant must respond to Agency in writing within three (3) business days explaining why Participant believes Agency's calculation was in error and providing any evidence to support any such contentions Participant wants Agency to consider. Agency shall

respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

Agency's determination of the Actual Eligible Costs is within its sole discretion.

6. Agency's Reimbursement Payment Amount. In accordance with the Participation Program, Agency agrees to reimburse Participant as follows:

Actual Eligible Costs not to exceed \$16,830. Actual Eligible Costs do not include soft costs (e.g. architectural and engineering design, permits, traffic control, mobilization, and overhead).

7. Conditions Precedent to Agency's Payment Obligation. Agency shall not approve reimbursement prior to issuance of a Certificate of Occupancy for the building by the City of Ketchum. Agency agrees to reimburse Participant in the amount as determined in compliance with Sections 2.b., 5, and 6 no later than forty five (45) days after submission by Participant of a copy of the Certificate of Occupancy for the building.

Participant's failure to comply with all Agreement provisions shall be a basis for termination of Agency's reimbursement obligation.

8. Subordination of Reimbursement Obligations. The Parties agree this Agreement does not provide Participant with a security interest in any Agency revenues for the Ketchum Urban Renewal District or any other urban renewal plan area, including but not limited to revenue from any "Revenue Allocation Area" (as defined in Title 50, Chapter 29 of the Idaho Code). Notwithstanding anything to the contrary in this Agreement, the obligation of Agency to make the payments as specified in this Agreement shall be subordinate to all Agency obligations that have committed or in the future commit available Agency revenues, including but not limited to revenue from any Revenue Allocation Area and may be subject to consent and approval by Agency lenders.

9. Default. Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days [ten (10) days in the event of failure to pay money] from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said 45-day period [ten (10) days in the event of failure to pay money], has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

- a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.

- b. The nondefaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed, in addition, recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.
- c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- d. The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- e. In the event Participant defaults under this Agreement, Agency (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured, Agency's obligation for payment shall be deemed extinguished. In addition, if Agency funds shall have been paid, Participant shall reimburse Agency for any such funds Participant received.

10. **Captions and Headings.** The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

11. **No Joint Venture or Partnership.** Agency and Participant agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making Agency and Participant a joint venture or partners.

12. **Successors and Assignment.** This Agreement is not assignable except that the Participant may assign Participant's rights or obligations under this Agreement to a third party only with the written approval of Agency, at Agency's sole discretion and cannot be reasonably denied.

13. **Notices and Receipt.** All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, or by electronic mail (e-mail) addressed to the appropriate Party at the address set forth below:

If to Participant: Doug Webb
Eighth and Washington Building Condo
219 S 1st Avenue Suite 101
Hailey, Idaho 83333-0000
dougwebb@webbland.com

If to Agency: Suzanne Frick, Executive Director
Ketchum Urban Renewal Agency
P.O. Box 2315
Ketchum, Idaho 83340
208-726-7801
sfrick@ketchumidaho.org

14. Applicable Law/Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

15. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

Exhibit A	Improvement Project Plan
Exhibit B	Schedule of Eligible Costs

16. Indemnification. Participant shall indemnify and hold Agency and its respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to in this section as "Claim"), which may be imposed upon or incurred by or asserted against Agency or its respective officers, agents, and employees relating to the construction or design of the Improvement Project or otherwise arising out of Participant's actions or inactions. In the event an action or proceeding is brought against Agency or its respective officers, agents, and employees by reason of any such Claim, Participant, upon written notice from Agency shall, at Participant's expense, resist or defend such action or proceeding. Notwithstanding the foregoing, Participant shall have no obligation to indemnify, defend, or hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency or its respective officers, agents, or employees.

17. Antidiscrimination During Construction. Participant, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity/expression, national origin or ancestry, marital status, age, or physical disability.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

Agency:

Agency: the urban renewal agency of the City of Ketchum, a public body, corporate and politic

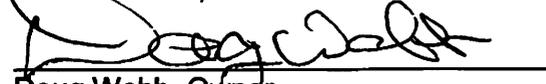


Baird Gourlay, Chair

Date 9/26/17

PARTICIPANT:

DOUG WEBB, Owner



Doug Webb, Owner

Date 9/27/17

Exhibits

- A: Improvement Project
- B: Schedule of Eligible Costs

EXHIBIT B
SCHEDULES OF ELIGIBLE COSTS

Site Readings			
CSI	Description	Adjustment	Net Amount
	No change to retaining wall at SE corner of property. 100' of new sidewalk, curb and gutter to tie into existing at utility box location.		
31 10	Excavating existing curb & gutter	\$	6,000.00
03 00	New curb and gutter--100 ln. ft. + -	\$	8,500.00
03 05	New poured sidewalk--5' x 100'--(500 sq. ft.) + -	\$	3,500.00
		Subtotal \$	18,000.00
0.1		Builder's Fee \$	1,800.00
		Total Amount \$	19,800.00

4815-9073-5439, v. 1

REIMBURSEMENT PARTICIPATION AGREEMENT

THIS REIMBURSEMENT PARTICIPATION AGREEMENT ("Agreement") is entered into by and between the Ketchum Urban Renewal Agency, also known as the KURA, an independent public body, corporate and politic, organized and existing under the laws of the State of Idaho and known as the urban renewal agency of the City of Ketchum, Idaho ("Agency") and Ketchum ~~and~~ Mustard LLC ("Participant"). Agency and Participant may be collectively referred to as the "Parties" and individually referred to as a "Party."

RECITALS

A. Participant owns or controls certain real property located at 620 N. Main Street, Ketchum, Idaho (the "Project Site") which is more accurately described as Lot 2 and the south 2' OF Lot 3 of Block 7, Ketchum Townsite. The Project Site is undergoing redevelopment including construction of a commercial building (the "Participant's Project").

B. As part of the Participant's Project, Participant intends to remediate certain Project Site conditions and redevelop the Project Site (the "Improvement Project"). The Improvement Project is more accurately depicted on attached **Exhibit A**.

C. The Participant's Project and the Improvement Project are located in the Ketchum Urban Renewal Plan (the "Plan") area, which consists of the Ketchum Urban Renewal Plan approved by the City Council on November 15, 2006, and the Amended Ketchum Urban Renewal Plan approved by the City Council on November 15, 2010 ("Ketchum Urban Renewal District"). The Plan includes various measures to mitigate and remediate the Ketchum Urban Renewal District. The Agency also adopted a Participation Policy on July 17, 2017.

D. The Improvement Project includes improvements of public infrastructure to replace over 50 feet of sidewalk along Main Street, adjacent to the Project Site that are consistent with the objectives of the Plan. The Improvement Project will contribute to enhancing and revitalizing the Ketchum Urban Renewal District.

E. Agency deems it appropriate to assist the development of the Improvement Project to achieve the objectives set forth in the Plan.

KETCHUM [&] ~~AND~~ MUSTARD LLC REIMBURSEMENT AGREEMENT - 1
copy

contract # 50009

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Effective Date.** The effective date ("Effective Date") of this Agreement shall be the date when this Agreement has been signed by the Participant and Agency (last date signed) and shall continue until: (1) the completion of all obligations of each Party; or (2) twelve (12) months from the Effective Date, whichever comes first. At Agency's sole discretion an extension may be granted for a period not to exceed one year.

2. **Construction of the Improvement Project.** Participant agrees to construct the Improvement Project consistent with the following:

- a. Remove and remediate certain Project Site conditions and backfill in order to enhance development of the Project Site.
- b. The Parties agree that the Improvement Project is depicted on **Exhibit A**, with cost estimates for eligible items described in the Schedule of Eligible Costs in **Exhibit B** ("Estimated Eligible Costs"). Any other public improvements that are constructed by the Participant as part of the Participant's Project are not eligible for reimbursement pursuant to this Agreement. Additionally, Agency's reimbursement obligation is limited to the amount set forth in Section 6 of this Agreement.

3. **Initial Construction Funding.** Participant shall pay for all of the costs of construction for the Improvement Project. Agency acknowledges that the Schedule of Costs attached as **Exhibit B** is an estimate by Participant's contractor and that actual costs for the Improvement Project, as well as each line item of cost, may be more or less than is shown on **Exhibit B**.

4. **Notification of Completion; Inspection.** Upon completion of construction, Participant shall notify Agency in writing and request a final construction inspection and/ or a meeting with Agency to determine if the Improvement Project meets the requirements of this Agreement. Agency shall provide Participant with written confirmation that the Improvement Project has been completed in compliance with this Agreement.

5. **Determining Actual Payment after Completion of Construction.** Participant shall provide appropriate documentation ("Cost Documentation") to Agency that Participant has expended funds for eligible costs in order to receive payment per

KETCHUM  AND MUSTARD LLC REIMBURSEMENT AGREEMENT - 2



the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant's notification to Agency that construction of the Improvement Project is complete and shall include:

- a. Schedule of values that includes line items for the Improvement Project improvements approved by Agency for reimbursement so they are identifiable separate from other line items ("Schedule of Values").
- b. Invoices from Participant's general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g. excavation, material fill, pavement, etc.). Invoices shall specify quantities and unit costs of materials, and a percentage estimate of how much material was used for the Improvement Project in comparison to the amount used for the remainder of Participant's project ("Invoices").
- c. Explanation of any significant deviation between the initial cost estimates in **Exhibit B** and the actual costs in the Cost Documentation as requested by Agency.
- d. Additional documentation or clarifications may be required and requested by Agency.

Agency shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Participant to Agency prior to construction. In the event Participant fails to timely deliver the Cost Documentation, Agency may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Participant with written notice of such default. Participant shall have thirty (30) days from such written notice to cure the default. In the event Participant fails to cure such a default, Agency's payment obligations under this Agreement may be terminated in Agency's sole discretion.

Within fifteen (15) calendar days of Agency's receipt of the Cost Documentation, Agency will notify Participant in writing of Agency's acceptance or rejection of the Cost Documentation and Agency's determination of the Actual Eligible Costs to be reimbursed. Agency shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in **Exhibit B**. **In no event shall the total for the Actual Eligible Costs exceed the amount allowed by Section 6.**

If Participant disagrees with Agency's calculation of the Actual Eligible Costs, Participant must respond to Agency in writing within three (3) business days explaining why Participant believes Agency's calculation was in error and providing any evidence to support any such contentions Participant wants Agency to consider. Agency shall

respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

Agency's determination of the Actual Eligible Costs is within its sole discretion.

6. Agency's Reimbursement Payment Amount. In accordance with the Participation Program, Agency agrees to reimburse Participant as follows:

Actual Eligible Costs not to exceed \$17,000. Actual Eligible Costs do not include soft costs (e.g. architectural and engineering design, permits, traffic control, mobilization, and overhead).

7. Conditions Precedent to Agency's Payment Obligation. Agency shall not approve reimbursement prior to issuance of a Certificate of Occupancy for the building by the City of Ketchum. Agency agrees to reimburse Participant in the amount as determined in compliance with Sections 2.b., 5, and 6 no later than forty five (45) days after submission by Participant of a copy of the Certificate of Occupancy for the building.

Participant's failure to comply with all Agreement provisions shall be a basis for termination of Agency's reimbursement obligation.

8. Subordination of Reimbursement Obligations. The Parties agree this Agreement does not provide Participant with a security interest in any Agency revenues for the Ketchum Urban Renewal District or any other urban renewal plan area, including but not limited to revenue from any "Revenue Allocation Area" (as defined in Title 50, Chapter 29 of the Idaho Code). Notwithstanding anything to the contrary in this Agreement, the obligation of Agency to make the payments as specified in this Agreement shall be subordinate to all Agency obligations that have committed or in the future commit available Agency revenues, including but not limited to revenue from any Revenue Allocation Area and may be subject to consent and approval by Agency lenders.

9. Default. Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days [ten (10) days in the event of failure to pay money] from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said 45-day period [ten (10) days in the event of failure to pay money], has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

- a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.

- b. The nondefaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed, in addition, recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.
- c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- d. The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- e. In the event Participant defaults under this Agreement, Agency (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured, Agency's obligation for payment shall be deemed extinguished. In addition, if Agency funds shall have been paid, Participant shall reimburse Agency for any such funds Participant received.

10. **Captions and Headings.** The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

11. **No Joint Venture or Partnership.** Agency and Participant agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making Agency and Participant a joint venture or partners.

12. **Successors and Assignment.** This Agreement is not assignable except that the Participant may assign Participant's rights or obligations under this Agreement to a third party only with the written approval of Agency, at Agency's sole discretion and cannot be reasonably denied.

13. **Notices and Receipt.** All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, or by electronic mail (e-mail) addressed to the appropriate Party at the address set forth below:


 KETCHUM ~~AND~~ MUSTARD LLC REIMBURSEMENT AGREEMENT - 5


If to Participant: [&] Ketchum ~~and~~ Mustard LLC
605 W Main St Suite 2
Aspen, CO 81611-0000

C/O Shannon Allen
General Manager, Hotel Ketchum
208-481-4001
600 N Main St. Ketchum, Idaho 83340
Shannon@hotelketchum.com

If to Agency: Suzanne Frick, Executive Director
Ketchum Urban Renewal Agency
P.O. Box 2315
Ketchum, Idaho 83340
208-726-7801
sfrick@ketchumidaho.org

14. Applicable Law/Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

15. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

Exhibit A Improvement Project Plan
Exhibit B Schedule of Eligible Costs

16. Indemnification. Participant shall indemnify and hold Agency and its respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to in this section as "Claim"), which may be imposed upon or incurred by or asserted against Agency or its respective officers, agents, and employees relating to the construction or design of the Improvement Project or otherwise arising out of Participant's actions or inactions. In the event an action or proceeding is brought against Agency or its respective officers, agents, and employees by reason of any such Claim, Participant, upon written notice from Agency shall, at Participant's expense, resist or defend such action or proceeding. Notwithstanding the foregoing, Participant shall have no obligation to indemnify, defend, or hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency or its respective officers, agents, or employees.

17. Antidiscrimination During Construction. Participant, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity/expression, national origin or ancestry, marital status, age, or physical disability.

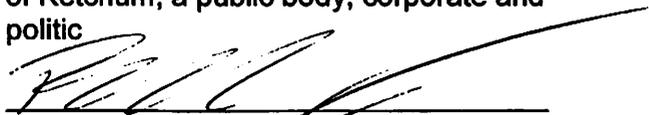
[Signatures appear on the following page.]

&
KETCHUM ~~AND~~ MUSTARD LLC REIMBURSEMENT AGREEMENT - 7
gm

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

Agency:

Agency: the urban renewal agency of the City of Ketchum, a public body, corporate and politic

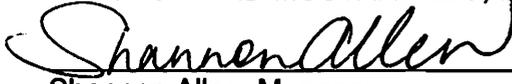


Baird Gourlay, Chair

Date 9/26/17

PARTICIPANT:

[&]
KETCHUM ~~AND~~ MUSTARD LLC, Owner



Shannon Allen, Manager

Date 9/29/2017

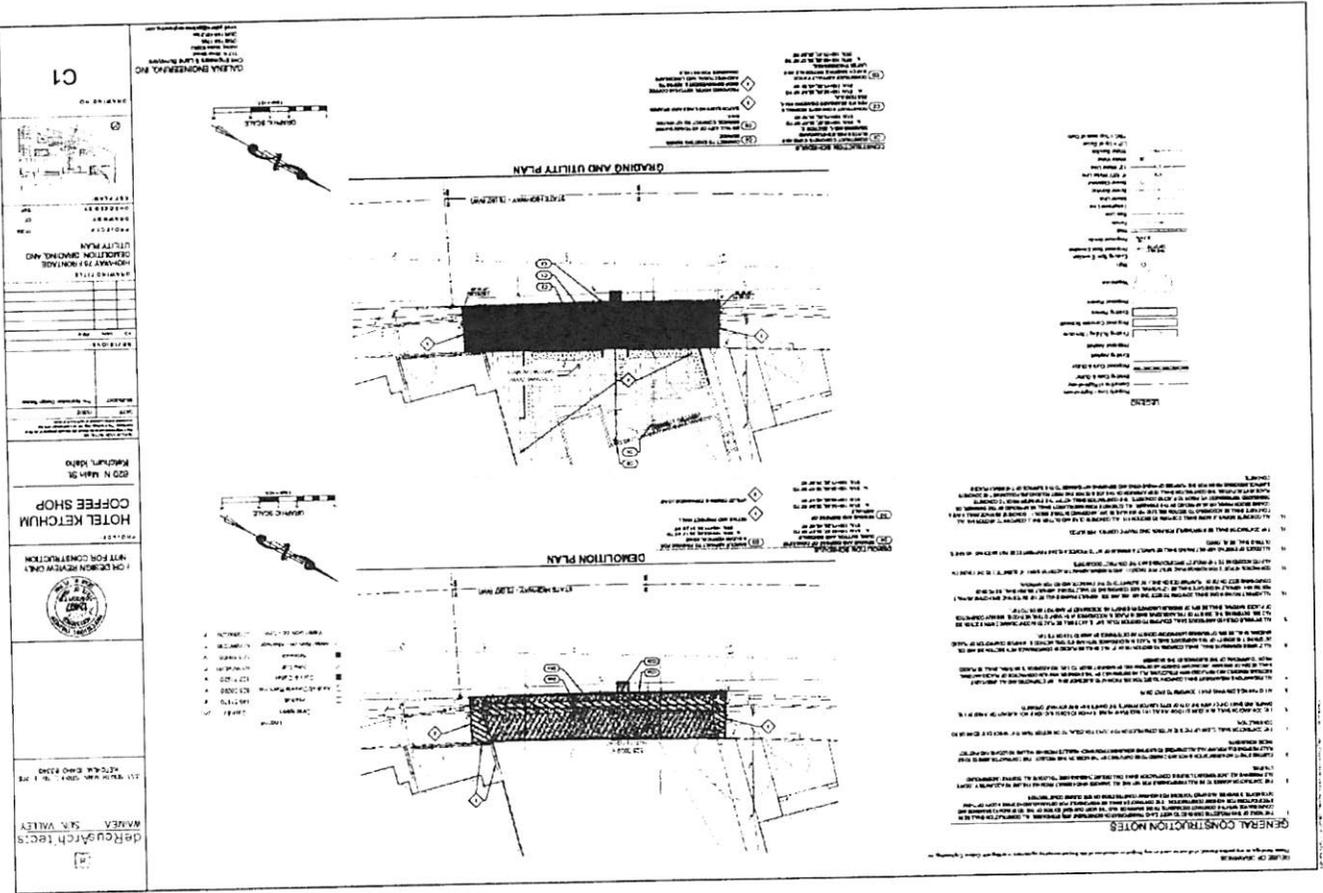
Exhibits

- A: Improvement Project
- B: Schedule of Eligible Costs

[&]
KETCHUM ~~AND~~ MUSTARD LLC REIMBURSEMENT AGREEMENT - 8
_{SR}

EXHIBIT A IMPROVEMENT PROJECT

Project Site work consisting of site work excavation and improvements within the right-of-way, curb, gutter, and sidewalk along 8th Street.



DERRIG ARCHITECTS
BARBARA S. WALLEY

111 WEST WALK ROAD
MAYFIELD, OHIO 44130

CONSTRUCTION PERMIT ONLY

HOTEL KETCHUM
COFFEE SHOP

300 N. MAIN ST.
MAYFIELD, OHIO

DATE: 08/11/10
SCALE: AS SHOWN

PROJECT NO. 10872

SHEET NO. 10872-1

10

GRANT PARTICIPATION AGREEMENT

THIS GRANT PARTICIPATION AGREEMENT (“Agreement”) is entered into by and between the Urban Renewal Agency of the City of Ketchum, also known as the Ketchum Redevelopment Agency, an independent public body, corporate and politic, organized and existing under the laws of the State of Idaho and known as the urban renewal agency of the City of Ketchum, Idaho (“Agency”) and Ketchum PDX LLC, an Oregon limited liability company (“Participant”). Agency and Participant may be collectively referred to as the “Parties” and individually referred to as a “Party.”

RECITALS

A. Participant owns or controls certain real property located at 560 N. 1st Avenue, Ketchum, Idaho (the “Project Site”) which is more accurately depicted on attached **Exhibit A**. The Project Site is undergoing redevelopment including construction of a residential project of eighteen (18) rental housing units and three (3) affordable units (the “Participant’s Project”).

B. As part of the Participant’s Project, Participant intends to remediate certain Project Site conditions and redevelop the Project Site (the “Improvement Project”). The Improvement Project is more accurately depicted on attached **Exhibit B**.

C. The Participant’s Project and the Improvement Project are located in the Ketchum Urban Renewal Plan (the “Plan”) area, which consists of the Ketchum Urban Renewal Plan approved by the City Council on November 15, 2006, and the Amended Ketchum Urban Renewal Plan approved by the City Council on November 15, 2010 (“Ketchum Urban Renewal District”). The Plan includes various measures to mitigate and remediate the Ketchum Urban Renewal District. The Agency has also adopted a Participation Policy concerning Agency participation in redevelopment projects.

D. The Improvement Project includes public infrastructure improvements for an eight foot (8’) wide sidewalk, drainage, and street improvements along North First Avenue adjacent to the Project Site that are consistent with the objectives of the Plan. The Improvement Project will contribute to enhancing and revitalizing the Ketchum Urban Renewal District.

E. Agency deems it appropriate to assist the development of the Improvement Project to achieve the objectives set forth in the Plan.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Effective Date.** The effective date (“Effective Date”) of this Agreement shall be the date when this Agreement has been signed by the Participant and Agency (last date signed) and shall continue until: (1) the completion of all obligations of each Party; or (2) twelve (12) months from the Effective Date, whichever comes first. At Agency’s sole discretion an extension may be granted for a period not to exceed one year.

2. **Construction of the Improvement Project.** Participant agrees to construct the Improvement Project consistent with the following:

- a. Remove and remediate certain Project Site conditions and backfill in order to enhance development of the Project Site and redevelop the Project Site for the Participant’s Project.
- b. The Parties agree that the Improvement Project is depicted on **Exhibit B**, with cost estimates for eligible items described in the Schedule of Eligible Costs in **Exhibit C** (“Estimated Eligible Costs”). Any other public improvements that are constructed by the Participant as part of the Participant’s Project are not eligible for reimbursement pursuant to this Agreement. Additionally, Agency’s reimbursement obligation is limited to the amount set forth in Section 6 of this Agreement.

3. **Initial Construction Funding.** Participant shall pay for all of the costs of construction for the Improvement Project. Agency acknowledges that the Schedule of Costs attached as **Exhibit C** is an estimate by Participant’s contractor and that actual costs for the Improvement Project, as well as each line item of cost, may be more or less than is shown on **Exhibit C**.

4. **Notification of Completion; Inspection.** Upon completion of construction, Participant shall notify Agency in writing and request a final construction inspection and/ or a meeting with Agency to determine if the Improvement Project meets the requirements of this Agreement. Agency shall provide Participant with written confirmation that the Improvement Project has been completed in compliance with this Agreement.

5. **Determining Actual Payment after Completion of Construction.** Participant shall provide appropriate documentation (“Cost Documentation”) to Agency

that Participant has expended funds for eligible costs in order to receive payment per the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant's notification to Agency that construction of the Improvement Project is complete and shall include:

- a. Schedule of values that includes line items for the Improvement Project improvements approved by Agency for reimbursement so they are identifiable separate from other line items ("Schedule of Values").
- b. Invoices from Participant's general contractor, subcontractor(s) and material suppliers for each type of eligible cost item (e.g. excavation, material fill, pavement, etc.). Invoices shall specify quantities and unit costs of materials, and a percentage estimate of how much material was used for the Improvement Project in comparison to the amount used for the remainder of Participant's project ("Invoices").
- c. Explanation of any significant deviation between the initial cost estimates in **Exhibit C** and the actual costs in the Cost Documentation as requested by Agency.
- d. Additional documentation or clarifications may be required and requested by Agency.

Agency shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Participant to Agency prior to construction. In the event Participant fails to timely deliver the Cost Documentation, Agency may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Participant with written notice of such default. Participant shall have thirty (30) days from such written notice to cure the default. In the event Participant fails to cure such a default, Agency's payment obligations under this Agreement may be terminated in Agency's sole discretion.

Within fifteen (15) calendar days of Agency's receipt of the Cost Documentation, Agency will notify Participant in writing of Agency's acceptance or rejection of the Cost Documentation and Agency's determination of the Actual Eligible Costs to be reimbursed. Agency shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in **Exhibit C**. **In no event shall the total for the Actual Eligible Costs exceed the amount allowed by Section 6.**

If Participant disagrees with Agency's calculation of the Actual Eligible Costs, Participant must respond to Agency in writing within three (3) business days explaining why Participant believes Agency's calculation was in error and providing any evidence

to support any such contentions Participant wants Agency to consider. Agency shall respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant Agency will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final.

Agency's determination of the Actual Eligible Costs is within its sole discretion.

6. Agency's Reimbursement Payment Amount. In accordance with the Participation Program, Agency agrees to reimburse Participant as follows:

Actual Eligible Costs not to exceed \$9,200. Actual Eligible Costs do not include soft costs (e.g. architectural and engineering design, permits, traffic control, mobilization, and overhead).

7. Conditions Precedent to Agency's Payment Obligation. Agency agrees to reimburse Participant in the amount as determined in compliance with Sections 2.b., 5, and 6 no later than forty five (45) days after submission by Participant of a copy of the Certificate of Occupancy for the Participant's Project.

Participant's failure to comply with all Agreement provisions shall be a basis for termination of Agency's reimbursement obligation.

8. Subordination of Reimbursement Obligations. The Parties agree this Agreement does not provide Participant with a security interest in any Agency revenues for the Ketchum Urban Renewal District or any other urban renewal plan area, including but not limited to revenue from any "Revenue Allocation Area" (as defined in Title 50, Chapter 29 of the Idaho Code). Notwithstanding anything to the contrary in this Agreement, the obligation of Agency to make the payments as specified in this Agreement shall be subordinate to all Agency obligations that have committed or in the future commit available Agency revenues, including but not limited to revenue from any Revenue Allocation Area and may be subject to consent and approval by Agency lenders.

9. Default. Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days [ten (10) days in the event of failure to pay money] from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said 45-day period [ten (10) days in the event of failure to pay money], has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

- a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.

- b. The nondefaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed, in addition, recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.
- c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- d. The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- e. In the event Participant defaults under this Agreement, Agency (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured, Agency's obligation for payment shall be deemed extinguished. In addition, if Agency funds shall have been paid, Participant shall reimburse Agency for any such funds Participant received.

10. Captions and Headings. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

11. No Joint Venture or Partnership. Agency and Participant agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making Agency and Participant a joint venture or partners.

12. Successors and Assignment. This Agreement is not assignable except that the Participant may assign Participant's rights or obligations under this Agreement to a third party only with the written approval of Agency, at Agency's sole discretion and cannot be reasonably denied.

13. Notices and Receipt. All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, or by electronic mail (e-mail) addressed to the appropriate Party at the address set forth below:

If to Participant: Ketchum PDX LLC
Attn: Mark Madden
2330 NW 31st Avenue
Portland, OR 97210
(503) 221-2900
madden@wdcproperties.com

If to Agency: Suzanne Frick, Executive Director
Ketchum Urban Renewal Agency
P.O. Box 2315
Ketchum, Idaho 83340
208-726-7803
sfrick@ketchumidaho.org

14. Applicable Law/Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

15. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

Exhibit A	Project Site Map
Exhibit B	Improvement Project Plan
Exhibit C	Schedule of Eligible Costs

16. Indemnification. Participant shall indemnify and hold Agency and its respective officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to in this section as "Claim"), which may be imposed upon or incurred by or asserted against Agency or its respective officers, agents, and employees relating to the construction or design of the Improvement Project or otherwise arising out of Participant's actions or inactions. In the event an action or proceeding is brought against Agency or its respective officers, agents, and employees by reason of any such Claim, Participant, upon written notice from Agency shall, at Participant's expense, resist or defend such action or proceeding. Notwithstanding the foregoing, Participant shall have no obligation to indemnify, defend, or hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency or its respective officers, agents, or employees.

17. Antidiscrimination During Construction. Participant, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color,

religion, sex, sexual orientation, gender identity/expression, national origin or ancestry, marital status, age, or physical disability.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement the day and year below written to be effective the day and year above written.

Agency:

Agency: the urban renewal agency of the City of Ketchum, a public body, corporate and politic

Susan Scovel
Chair

Date Robert Wolf 1-30-19

PARTICIPANT:

KETCHUM PDX, LLC

[Signature]

Date 1-30-19

Exhibits

- A: Project Site
- B: Improvement Project
- C: Schedule of Eligible Costs

**EXHIBIT A
PROJECT SITE**

A1.10
SHEET

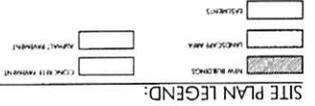
NEW MULTI FAMILY BUILDING
KETCH PDX, LLC
560 N 1ST AVE, KETCHUM, IDAHO

PROJECT # 2018.061
DATE: 20 AUG 2018
REVISIONS

STATE OF IDAHO
JAMES R. HARRIS
REGISTERED ARCHITECT
NO. 12345

3
ARCHITECTURE
INCORPORATED
225 COLT ST NE
SHEBOA, OR 97130
503.389.4500
WWW.3ARCHITECTURE.COM

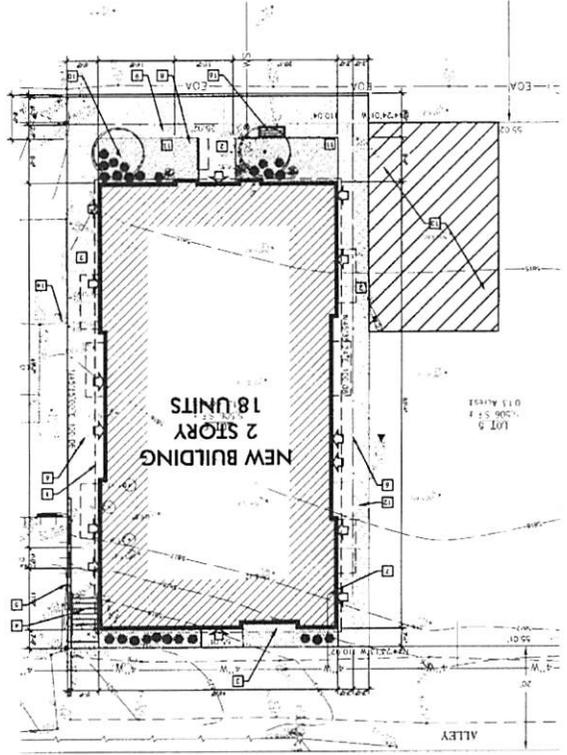
- SITE PLAN KEY NOTES:**
- 1 DATE OF MARKET MARKET
 - 2 NEW SERVICES, SUBMIT PLAN TO THE MARKET
 - 3 CROSS SECTION
 - 4 ELECTRIC METER LOCATION SEE CHS
 - 5 NEW CONCRETE STPS AND MANHOLE, SEE CHS
 - 6 RETAINING WALL, SEE CHS
 - 7 PART OF EXISTING ADJACENT TR
 - 8 TRAYS, REVISIONS, AND NEW BUILDING
 - 9 GRADING, MOVER, REUSE HOOR
 - 10 NEW FINISH FLOORING TO ALLOW FOR PUBLIC
 - 11 SEWERAGE
 - 12 NEW FINISH FLOORING TO ALLOW FOR SHAD
 - 13 SHOW STAIR LOCATION, SEE CHS
 - 14 NEW FINISH FLOORING TO ALLOW FOR SHAD
 - 15 CONSTRUCTION SIGNING AREA
 - 16 ADJOINING BUILDING
 - 17 PART OF EXISTING
 - 18 REUSE CONCRETE



- SITE GENERAL NOTES:**
1. JOBS IN CONCRETE SHALL NOT BE
 2. E.A. BE CONCERNED TO
 3. VERIFY THE CONCRETE
 4. NOT BE REFINISHED IN
 5. COMPACTOR SHALL DETERMINE THE EXACT
 6. LOCATION OF ALL SERVICES UTILITIES
 7. THE LOCATION OF EXISTING UTILITIES
 8. THE LOCATION OF EXISTING UTILITIES
 9. THE LOCATION OF EXISTING UTILITIES
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 19. THE LOCATION OF EXISTING UTILITIES
 20. THE LOCATION OF EXISTING UTILITIES

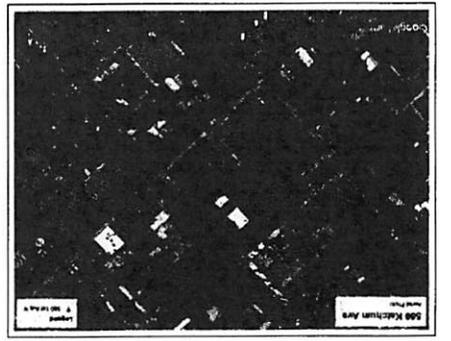
SITE SUMMARY:

PARALLEL	REVISIONS TO 3 BLOCKS
MARKET ZONE	CC, SUB ZONE C
SITE AREA	2,500
1 BUILDING	18 UNITS
BUILDING FOOTPRINT	2,700 SF
TOTAL BUILDING AREA	7,200 SF
APPROXIMATE AREA	1.4 ACRES
LANDSCAPE AREA	200 SF
LANDSCAPE FOOTPRINT	0.001 ACRES
REUSE MATERIALS	1 BLOCK REUSE



1 SITE PLAN

A AERIAL PHOTO



**EXHIBIT B
IMPROVEMENT PROJECT**

Project Site work consisting of site work excavation and improvements within the right-of-way, curb, gutter, and sidewalk along North 1st Avenue.

**EXHIBIT C
SCHEDULES OF ELIGIBLE COSTS**

**Phase 1 Site Work, including excavation and utilities (see application).
Phase 3 Site Work, including 1st Ave N. sidewalks (see application).**

**TOTAL PAYABLE KURA AMOUNT:
16.7% of above Phase 1 & 3 site work or \$9,200, whichever is less.**

4847-6060-9413, v. 1



Ketchum Urban Renewal Agency

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

March 9, 2026

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO MODIFY PARKING REGULATIONS AT FIRST AND WASHINGTON PARKING LOT

Introduction/History

The 1st and Washington Parking Lot has been discussed extensively over the past year including the following key issues:

- Goals for operation of the lot (purpose of the lot and primary targeted user)
- Direction on the preferred management approach
- Operation and maintenance agreement with the City with KURA agreeing to enter into a use agreement wherein the City operates, maintains, and enforces the lot with agreed upon reimbursement.

Additionally, before these key issues it should be noted that the lot went from a paid lot to a FREE, All-Day (with overnight parking allowed) parking lot to help mitigate Ketchum business owners' parking concerns with the Main Street Rehabilitation Project that occurred in the spring/summer 2024 with the subsequent loss of parking spaces.

With this change to free parking, the lot was primarily used by long-term parkers consisting of construction workers, employees of surrounding businesses and overnight guests of the Limelight Hotel. Complaints were received that short-term customer parking within the lot was no longer readily available. Long-term parkers shifted from surrounding streets into the lot. Unrestricted street parking was available adjacent to the lot; however, the lot was more convenient location for all day parkers.

After early summer 2025, restriping and sealing maintenance work along with community outreach/discussions with the Ketchum business community, the Board decided to split the lot into dual purposes with a.) 2-hour parking in the middle two rows and b.) All-Day parking in the row next to Washington Ave to appease both the needs of retail clients for local businesses **AND** their workers. The Board asked that the Community Service Officers continue to monitor the usage of the lot and future changes would be instituted if warranted.

The Mayor, Pete Prekeges, has asked that the 1st and Washington Lot be reverted to entirely All-Day parking as a one-year pilot based on feedback from the Ketchum Business Community.

The staff recommends to the Board that this proposed change to All-Day parking be instituted in March 2026. The lot has been equipped with Cleverciti sensors to monitor the parking for occupancy and duration statistical data, enforcement, and wayfinding. With the sensors and the daily experiences of the Community Service Officers, staff will provide feedback and reporting on how this change is received by the business community. Additionally, the utilization of off-street parking as long-term (All-Day) parking conforms to a typical City's parking management plan.

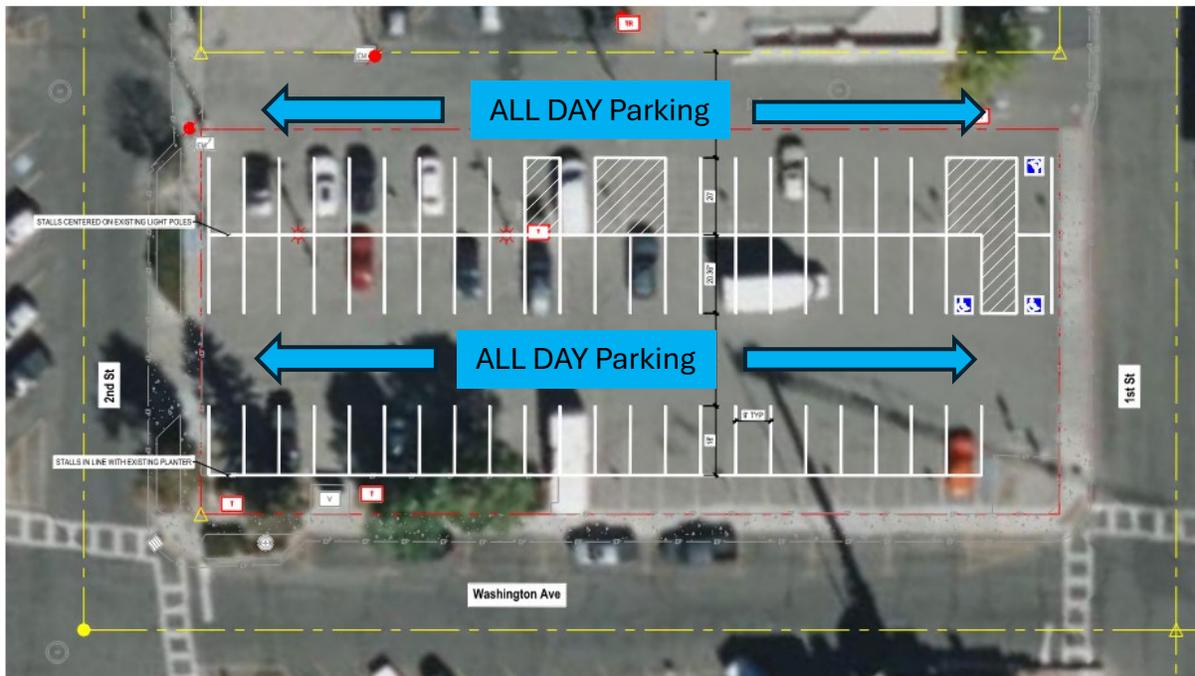
Additional Funding Request

- There is no additional funding needed for this change.

Financial Requirement/Impact

- N/A

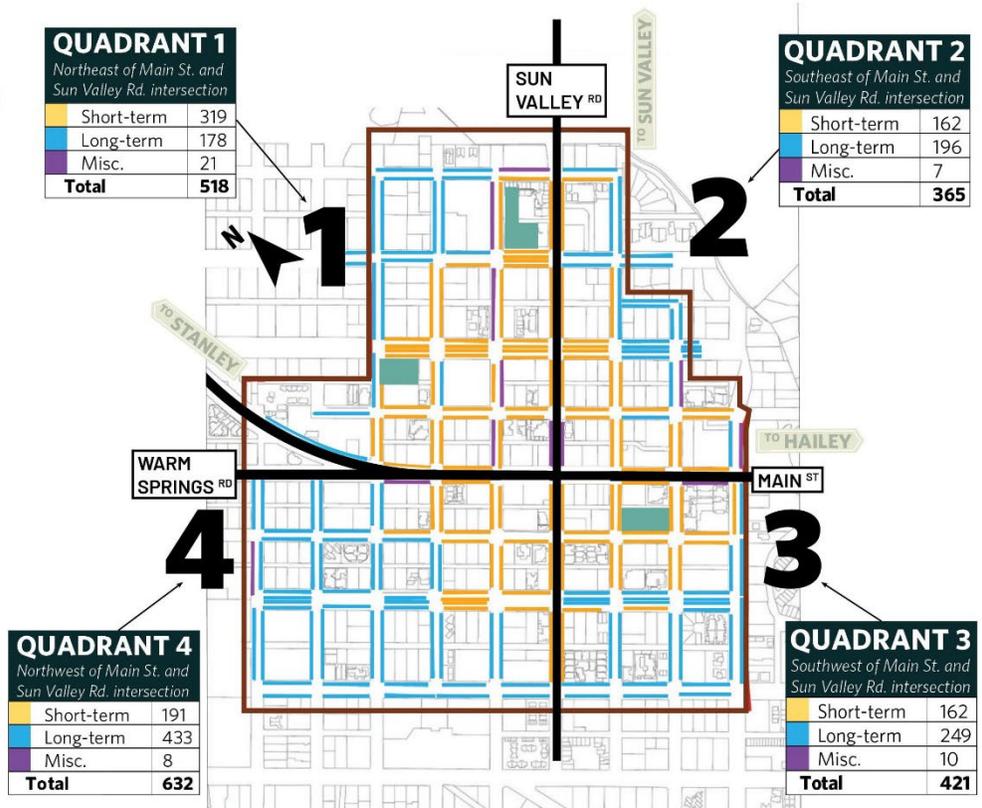
Staff recommends the Board modify parking regulations at the First and Washington Lot to move to All-Day parking for the entire lot for a pilot period of one year (see illustration below).



ATTACHMENT 1

WHICH TYPES OF PARKING ARE AVAILABLE IN KETCHUM'S DOWNTOWN CORE?

- Short-term parking:**
two hours or less
- Long-term parking:**
7-day maximum
- Long-term parking lots:**
7-day maximum
 - 1st St. & Washington
 - Leadville & 6th St.
 - 4th St. & Spruce Ave.
- Miscellaneous parking:**
ADA, loading zones, city vehicle parking, etc.





Ketchum Urban Renewal Agency

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

March 9, 2026

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

Briefing on Town Square Upgrades

Introduction/History

- The city and URA recently completed a master planning effort for both Town Square and the Visitor Center building (491 Sun Valley Road) to guide both short and long-term investments.
- A significant focus of the master planning process was conducting community engagement sessions both via in-person and online surveys resulting in over 315 responses. Overall, the public is very satisfied with Town Square but did desire targeted improvements focused on additional green space, shade, flexibility and addressing the deficient water & fire features.
- During the master planning process, staff coordinated with the original architects (Dale Bates and Susan Desko) as well as past and current stakeholders.
- KURA dedicated \$250,000 in funding to Phase 1 Town Square Rehabilitation in the FY26 budget, earmarked for the following:
 - New, larger umbrellas (more shade was the top public feedback)
 - Refresh outdoor public restrooms
 - ADA access to the stage
 - Decommission non-working water fountain and recommission fire pit area
 - Redo lawn area to increase usage by expanding the grass area and improving shade/seating
 - Replace select pavers
- On February 26, 2026, the City Council was presented with the construction scope for Phase 1. Council directed staff to scale back the proposal for 2026, with narrowed emphasis by deferring the following elements:
 - Redo and expand the lawn area to increase usage
 - Improving shaded area with new trees (aside from replacement of current fruit trees)
 - Improving shaded area's seating
 - Replace select pavers
- Staff is seeking feedback from the board regarding a revised scope of work in order to proceed with work this spring. Should the Board not support the revised scope, staff would recommend pausing further discussions until the upcoming joint meeting with the City Council.

Financial Requirement/Impact

A scaled-back Phase 1 for 2026 equates to ~\$177,000 resulting in a savings of \$73,000.

Attachments:

1. Public engagement summary
2. KTS construction drawings
3. Cost summary (2.26.26 proposal)
4. Cost summary (3.5.26 update)
5. Ketchum Town Square Master Plan (7.17.25 budget meeting slides)

PUBLIC ENGAGEMENT

Public Engagement Summary

Public Survey 1

131 total respondents

Conducted at Town Square 8.17.2023

Public Survey 2

185 total respondents

Conducted through Survey Monkey

Opened 08.22.23 and closed 09.05.23

1:1 Stakeholder Engagement Meetings

Ketchum Community Development Corporation

Sun Valley Visitor Center

Sun Valley Wine Company

Scout Wine & Cheese

Starbucks

Susan Desko, Architect

MESH Gallery

PK's Ski and Sports

Conducted in-person between 8.10 and 8.17.2023

Stakeholder Engagement Key Takeaways

General Observations

- Fire feature is more important than water feature and important for foot traffic in the colder months.
- Water feature should be interactive.
- Inefficiency is the biggest issue with the existing building. Thousands of people in and out of the building (in summer) which allows conditioned heat and cool in and out of the building at an extreme rate.
- Building inefficiency is overcome by proximity of Plaza and the positive foot traffic it generates.

What is valued about Ketchum Town Square

- The people traffic and community connection.
- The charm of the Visitor Center as an old building and the excitement of this Starbucks being so cool, funky and well known.
- Safe, contained community space- great for kids to run around and play.
- Shade.
- Great hangout spot, run into friends.
- Local small businesses with captive audience.
- Super cool space, highly beloved by the community, hard to replicate. More of a community coffee shop than a Starbucks.
- Unique as combo coffee shop, visitor center in cool space.

Stakeholder Engagement Key Takeaways

TOP STAKEHOLDER PRIORITIES

1. Increasing building efficiency
2. Kid friendly water feature
3. More trees, shade and lawn
4. More food vendors, food trucks
5. More live music and events
6. Upgrade SV Visitor Center
7. Bike supportive elements in alley
8. Invest more in ongoing maintenance

"More Live Music!"

"Increase vibrancy and traffic of Ketchum Town Square.."

"Super cool space, highly beloved by the community, hard to relocate. More of a community coffee shop than a Starbucks!"

"More food vendors, food trucks!"

"Water feature for kids. Need fire features in winter."

"More shade, more trees, more grass."

"Inefficiency is the biggest issue with the existing building. Thousands of people in and out of the building (in summer) which allows conditioned heat and cool in and out of the building at an extreme rate."

Public Engagement Key Takeaways

Town Square

- Community members and visitors view Town Square as a welcoming, dedicated community space accessible, social, and friendly to all ages.
- Community members and visitors frequent both Ketchum Town Square and the adjacent Visitor Center building on at least a weekly basis.
- Most are coming to stroll, get coffee or meet friends.
- Respondents are most interested in more music and market opportunities in Town Square.
- Respondents want more shade (particularly shade trees) and more variety of seating/table options.
- Most community members visit Town Square in the summer but would attend an event any time of year if there was programming or events of interest.

Visitor Center Building

- The building at Town Square offers a space for many activities, but most folks are coming to get coffee or meet friends.
- To most respondents, the top amenities at the building at Town Square are food and drink vendors, seating areas and public restrooms.
- Most respondents priority improvements are seating and table options, food and drink options, and available meeting or community space.

Public Engagement Key Takeaways

TOP COMMUNITY PRIORITIES

1. **More greenspace**
 - a. More trees
 - b. More grass
2. **More seating and tables**
 - a. Variety of options
 - b. Work spaces
3. **Seasonal infrastructural improvements**
 - a. Winter maintenance
 - b. Snowmelt strategy
 - c. More shade
 - d. Repaired firepits
4. **Visitor Center building improvements**
 - a. New roof
 - b. Increased HVAC efficiency

"NICE TO HAVE" IMPROVEMENTS

5. Year-round programming in Town Square
 - a. More music
 - b. Food trucks
6. Lighting strategy
7. Water feature for kids
8. Visitor Center as community resource or activity center
9. Dedicated work and meeting space

"How to make more use outside during winter months?"

"More activities, music, events."

"More shade, more trees, more grass."

"More greenery and fire pits. More outdoor events. More winter activities! Something large in the center (fire pit/fountain)."

"More seating, shade and lighting so it's welcoming, usable at night and in all seasons."

"I would love to see more greenspace! Maybe replace the cobblestones with grass in certain spots? Also a food truck spot that changes weekly."

"I would love to see more greenspace! Maybe replace the cobblestones with grass in certain spots? Also a food truck spot that changes weekly."

"Water feature for kids. Need fire features in winter."

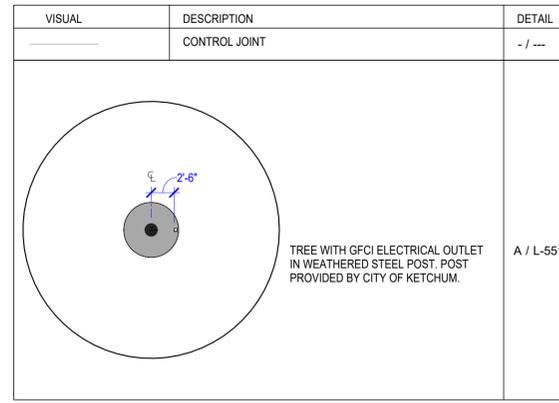
"Inefficiency is the biggest issue with the existing building. Thousands of people in and out of the building (in summer) which allows conditioned heat and cool in and out of the building at an extreme rate."

"The building reads from the outside as a Starbucks, not a visitor center for Sun Valley/Ketchum. I like the multi-purpose approach of the building, but I suggest it should build the area's brand of adventure, nature-loving, the arts, and big-hearted community."

LAYOUT AND MATERIALS LEGEND

TAG	VISUAL	DESCRIPTION	DETAIL
VA		PLANTING AREA	D3 / L-551
JS		SAND-SET PAVERS TO MATCH EXISTING SIDEWALK	A3 / L-501
EP		SAND-SET PAVERS - RE-USE EXISTING PAVERS	A3 / L-501
JE		SAND-SET BELGARD 6" WIDE GEOMETRIC CONCRETE PAVERS COLOR: LIGHT GRAY	A3 / L-501
HP		SAND SET BELGARD CONCRETE HEX PAVERS COLOR: 30% DARK GRAY, 30% MEDIUM GRAY, 30% LIGHT GRAY	A3 / L-501
GL		NATURAL GRASS LAWN	C3 / L-551
LP		LIGHT POLE	C3 / L-551

TAG	VISUAL	DESCRIPTION	DETAIL
WC		WOOD AND METAL SEATWALL - STREETLIFE ROUGH&READY CROSSWISE SEATWALL WITH CORTEN STEEL, FSC LOURO	C4 / L-501
TC		LANDSCAPE FORMS - GENERATION 50 TRASH: SIDE OPEN, COLOR: ONYX, WOOD: IPE	A1 / L-501
BR		LANDSCAPE FORMS - MULTIPLICITY BIKE RACK. COLOR: ONYX, WOOD: IPE	B4 / L-501
SB		RELOCATED STONE BENCH	B3 / L-501
EO		WEATHERPROOF ELECTRICAL OUTLET PER KETCHUM MAINSTREET STANDARDS	A / L-551
ES		EMERGENCY FIREPIT SHUTOFF AND TIMER PEDESTAL	A / L-551
DB		STREETLIFE - DRIFTER LINEAR STRUCTURE	C2 / L-501
DB		STREETLIFE DRIFTER LINEAR BENCH	C2 / L-501
UE		OWNER SUPPLIED METAL GRATING	



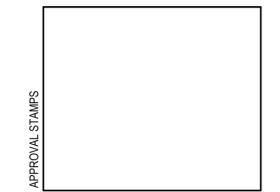
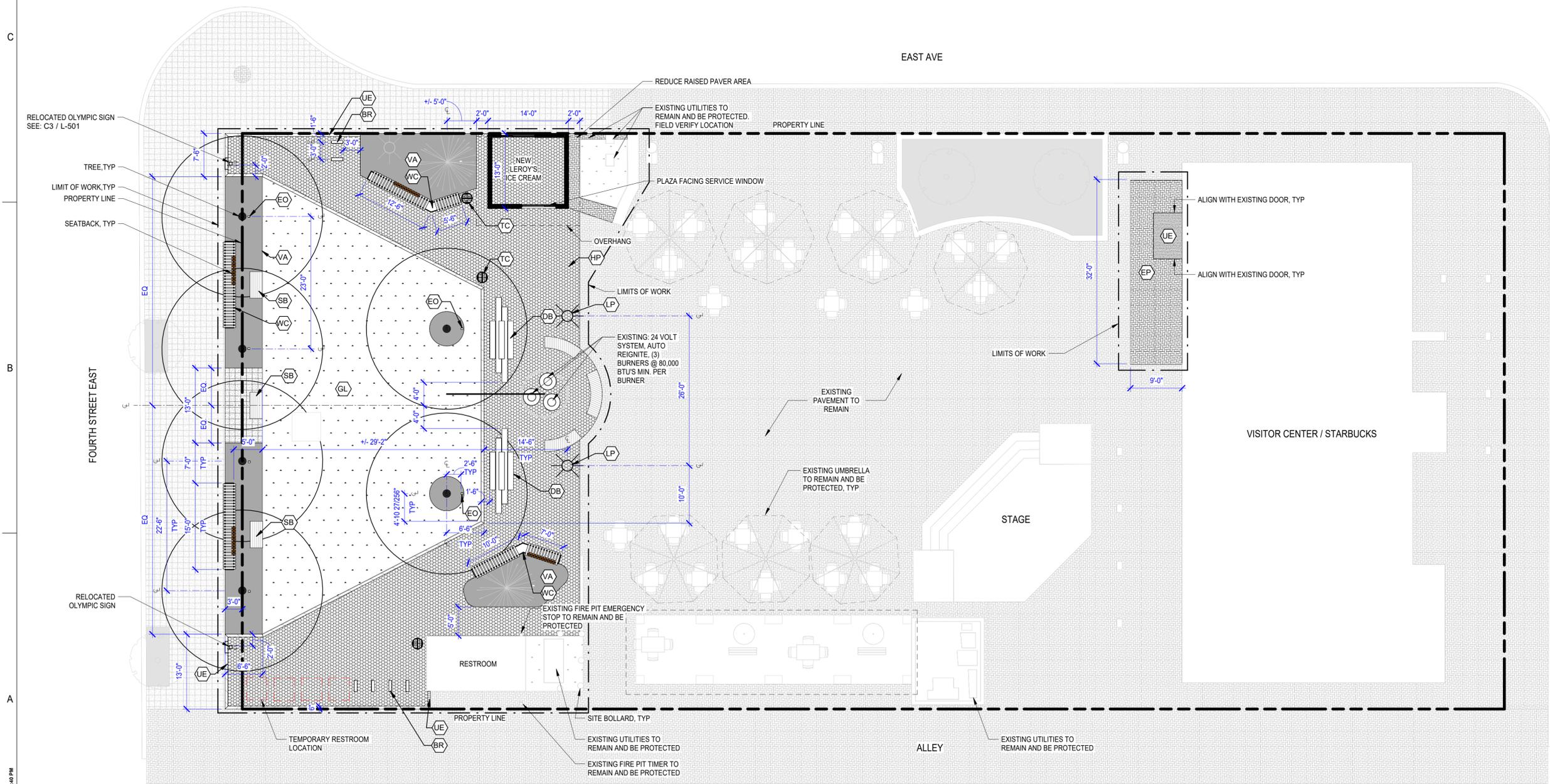
- FURNITURE SCHEDULE**
- (4) STREETLIFE ROUGH AND READY CROSS WISE BENCH
 - (2) STREETLIFE - DRIFTER LINEAR STRUCTURE
 - (1) STREETLIFE - DRIFTER LINEAR BENCH
 - (6) LANDSCAPE FORMS - MULTIPLICITY BICYCLE RACK
- LITTER RECEPTACLE SCHEDULE**
- (3) LANDSCAPE FORMS - GENERATION 50 TRASH: SIDE OPEN
COLOR: ONYX, WOOD: IPE



PROJECT:
KETCHUM TOWN SQUARE

PROJECT ADDRESS:
**480 4TH ST E
KETCHUM, ID 83340**

OWNER:
**CITY OF KETCHUM
191 5TH STREET W
KETCHUM, ID 83340**



MARK	DATE	DESCRIPTION
REVISIONS		

MARK	DATE	DESCRIPTION
ISSUE INFORMATION		

PROJECT NO.: **2023040**
 GGLO PRINCIPAL IN CHARGE: **MARK SINDELL**
 GGLO PROJECT MANAGER: **BUTRON YUEN**
 OWNER APPROVAL: _____

SHEET TITLE
LANDSCAPE LAYOUT AND MATERIALS PLAN

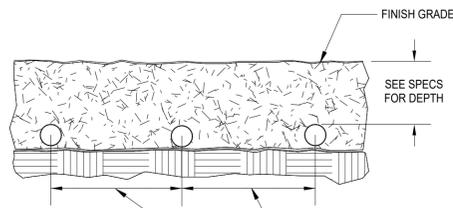
SHEET NO.
L-111

A1 LAYOUT AND MATERIALS PLAN
1" = 10'-0"

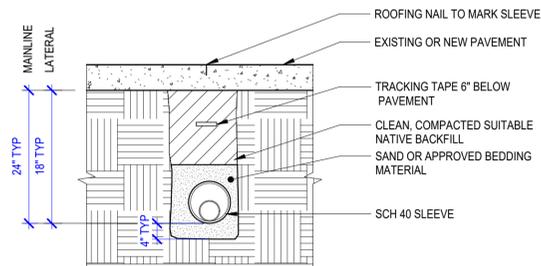


PLOT DATE/TIME: 2023/02/28 1:00:00 PM

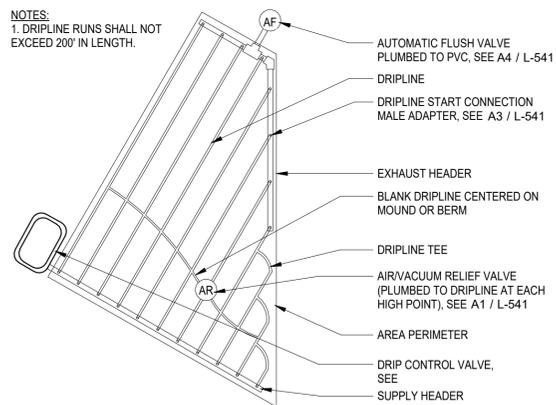
CONSTRUCTION SET



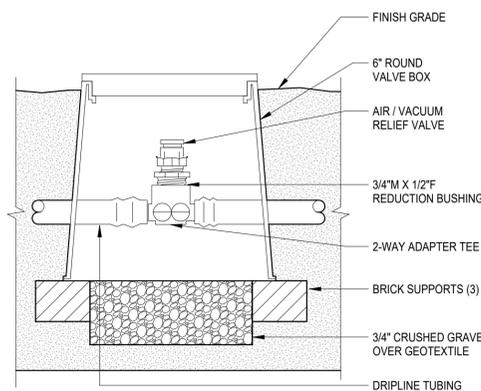
1 DRIPLINE SUBGRADE INSTALLATION
1" = 1'-0"



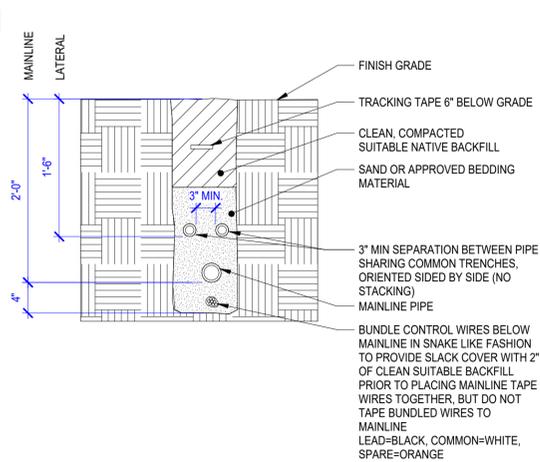
C1 IRRIGATION SLEEVE
NTS



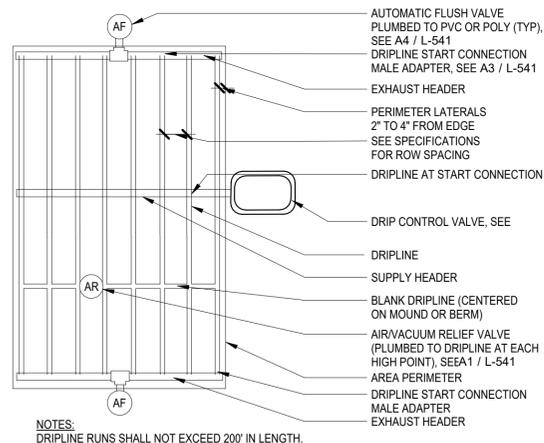
B1 DRIPLINE AT IRREGULAR ANGLES
NTS



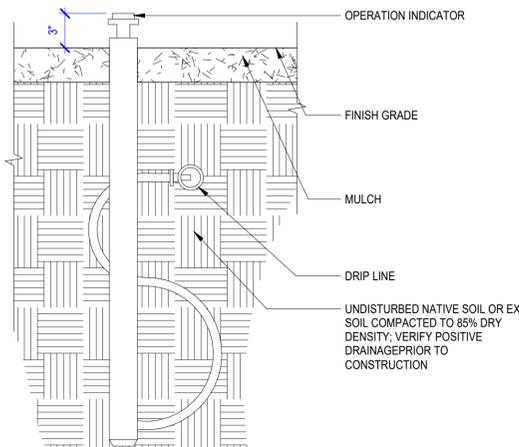
A1 DRIPLINE AIR VACUUM RELIEF VALVE
NTS



C2 IRRIGATION TRENCH
NTS

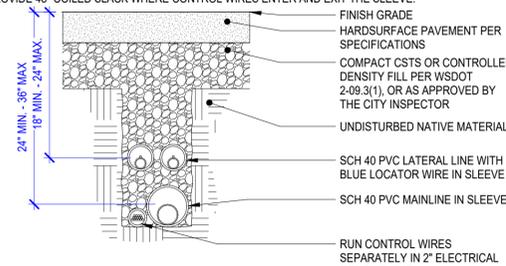


B2 DRIPLINE CENTER FEED LAYOUT
NTS

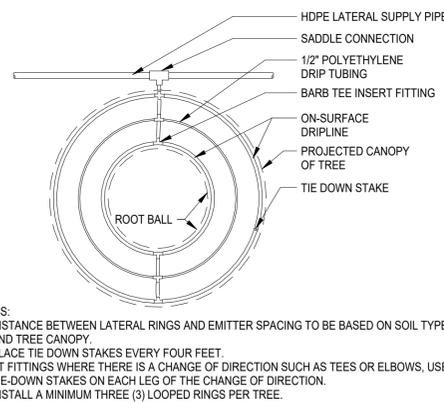


A2 DRIPLINE OPERATION INDICATOR
NTS

- NOTES:
1. SLEEVING MATERIAL SHALL BE SCH 40 PVC PIPE AND SHALL BE LARE ENOUGH TO ALLOW IRRIGATION PIPE AND ASSOCIATED COUPLINGS TO EASILY SLIP THROUGH SLEEVING MATERIAL, TYPICALLY 2x DIAMETER OF IRRIGATION PIPE.
2. ONLY 1 IRRIGATION PIPE PER SLEEVE, TYP
3. USE DUCTILE IRON WHEN CROSSING UNDER HEAVILY TRAVELED ARTERIAL ROADWAYS.
4. EXTEND SLEEVING MATERIAL 18" BEYOND EDGE OF PAVEMENT.
5. PROVIDE 48" COILED SLACK WHERE CONTROL WIRES ENTER AND EXIT THE SLEEVE

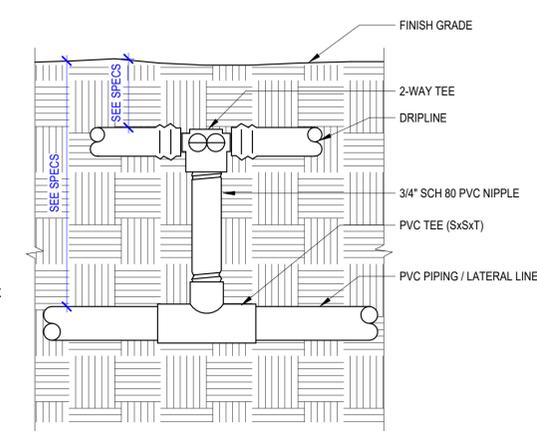


C3 IRRIG. TRENCH UNDER PAVEMENT
NTS

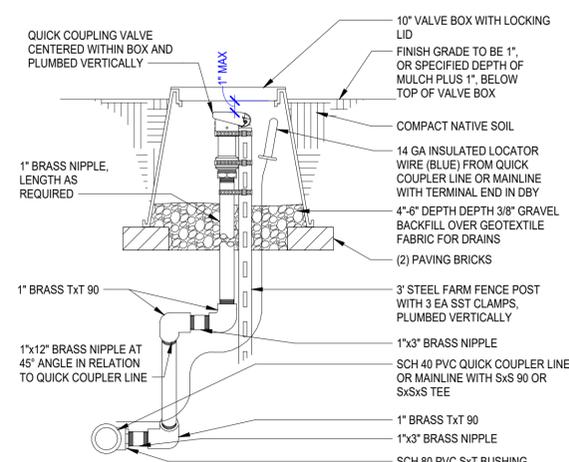


- NOTES:
1. DISTANCE BETWEEN LATERAL RINGS AND EMITTER SPACING TO BE BASED ON SOIL TYPE, AND TREE CANOPY.
2. PLACE TIE DOWN STAKES EVERY FOUR FEET.
3. AT FITTINGS WHERE THERE IS A CHANGE OF DIRECTION SUCH AS TEES OR ELBOWS, USE TIE-DOWN STAKES ON EACH LEG OF THE CHANGE OF DIRECTION.
4. INSTALL A MINIMUM THREE (3) LOOPED RINGS PER TREE.

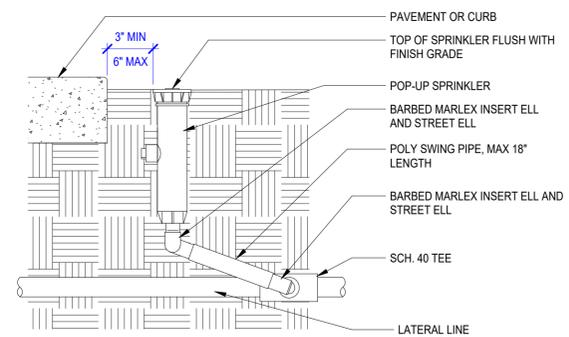
B3 DRIPLINE TREE RING
6" = 1'-0"



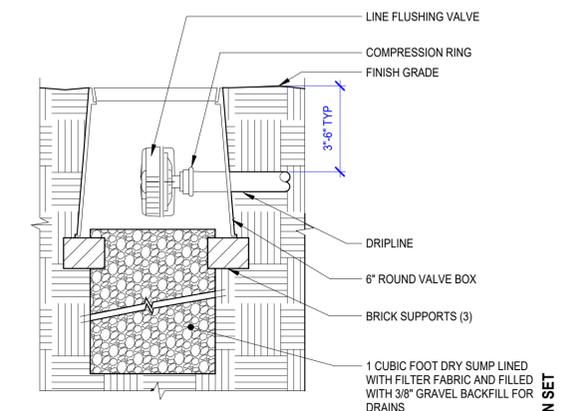
A3 DRIPLINE START CONNECTION
NTS



C4 QUICK COUPLER
1 1/2" = 1'-0"



B4 POP-UP SPRINKLER
1" = 1'-0"



A4 DRIPLINE FLUSH VALVE
NTS

APPROVAL STAMPS

MARK	DATE	DESCRIPTION
REVISIONS		

MARK	DATE	DESCRIPTION
ISSUE INFORMATION		

PROJECT NO.: **2023040**
GGLO PRINCIPAL IN CHARGE: **MARK SINDELL**
GGLO PROJECT MANAGER: **BUTRON YUEN**
OWNER APPROVAL:

SHEET TITLE
IRRIGATION DETAILS

SHEET NO.

L-541

CONSTRUCTION SET

Town Square Phase 1 Costs

Scope	Contractor	Cost	Notes
4th St Pavers & Drain Repair	Bigwood	\$ 34,726	Completed Fall 2025
Tables and Chairs	Open Room	\$ 42,181	Completed Fall 2025
Light Bollards & Bike Racks	Landscape Forms	\$ 8,713	Ordered
Demolition, electric, new paver prep	Lunceford	\$ 71,857	
Landscaping	Bigwood	\$ 47,285	
Pavers	Belgard	\$ 28,714	
Trees		\$ 8,700	
Seat Walls	Streetlife	\$ 49,807	
Bathroom - Exterior	GGLO	\$ 50,000	VE Potential
Bathroom - Interior	Budget		
Leroy's/Utilities	DONOR?		
GGLO	Leroy's	\$ 7,500	Donor likely
GGLO	Construction Phase Svc	\$ 20,000	not-to-exceed
TOTAL		\$ 369,483	

BUDGET \$ 250,000

Additional Funding Needed \$ **(119,483)**

MODIFIED | Town Square Phase 1 Cost Summary

Scope		Contractor	Cost	Notes
Pavers & drain repair	4th St	Bigwood	\$ 34,726	Completed Fall 2025
Seating	Tables and Chairs	Open Room	\$ 42,181	Completed Fall 2025
Shade	Small Umbrellas	Open Room	\$ 12,000	
Fountain	Demo & Paver Infill		\$ 7,500	
Trees	Procure & Install		\$ 11,325	
Fire Pit	Repair & Cover		\$ 8,700	
Bathroom	Exterior	GGLO budget	\$ 50,000	
	Interior			
Leroy's	Building	Donor Funded		
	Design	Leroy's/GGLO	\$ 7,500	
	Utilities		\$ 3,000	
TOTAL			\$ 176,932	

Last updated 3.5.2026

PLACEMAKING

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PROJECT TIMELINE

PHASES 1-3

Following direction provided through Phase 1, Phase 2 will include refinement of options with eventual implementation of the plan in Phase 3, with a target completion in Q4 2025.

- Project Milestones:**
- Visitor Center building lease expires November 1, 2026
 - Notice of intention due November 1, 2025
 - RFP issue January 2025
 - Tenant Improvements 2026



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STUDY AREA

The dashed boundary identifies the extents of the study area for this project.



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KETCHUM TOWN SQUARE | PUBLIC ENGAGEMENT

KETCHUM TOWN SQUARE FOLLOW UP OPEN HOUSE INTERACTIVE DOT BOARDS SUMMARY

TOWN SQUARE INSPIRATION

Paving bricks: Sign use TOO BIG



VISITOR CENTER REFRESH

0 NUMBER OF GREEN STICKERS
STICKY NOTE

We learned from the initial public survey that residents and visitors often associate the Visitor Center primarily with Starbucks and are unclear that it is a public place. Do you think renaming the Visitor Center would help clarify its purpose?

The building should have an obvious sign informing this is a free welcoming area for anyone not just a Starbucks. (5)

We need a great world class visitor center for our great world class destination. (3)

Sun Valley/Ketchum Visitor Center (3)

Please help us rename the Visitor Center using the words provided below as a starting point. Example 'Ketchum Community Lodge'

Other Name Ideas:
1. Ketchum Hangout Zone
2. Community Lounge
3. Ketchum Lounge
4. Basecamp



18

GGLO

70

KETCHUM TOWN SQUARE | PREFERRED PLAN

PROJECT INTENT

Why?

- Town Square infrastructure and finishes are failing and near end-of-life.
- The deferred maintenance of the Visitor Center building is limiting operations, reducing its value to the public, and draining maintenance resources.

Why now?

- Having a coordinated overall plan for improvements guides budget allocation year by year.
- Sets priorities.
- Ensures that repair and replacement projects contribute to the overall coordinated quality, health, and well-being of the Square.

Existing Visitor Center



Existing Town Square



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GGLO

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KETCHUM TOWN SQUARE | PREFERRED PLAN

PREFERRED PLAN

VISITOR CENTER

Visitor Center

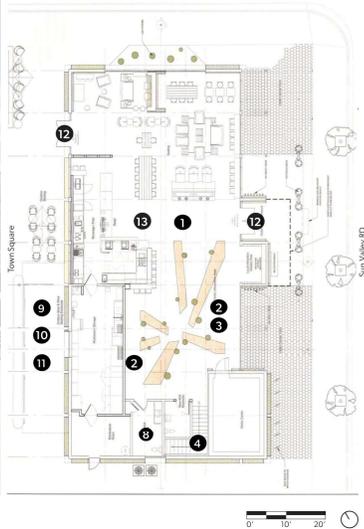
- 1 Visitor center interface upgrades
- 2 Expand historic interpretation and public art inside and out ('Cultural Trailhead')
- 3 Branding, wayfinding, and signage
- 4 New upper level conference room redesign

Shell and Core

- 5 Restain exterior
- 6 Replace roof and insulation
- 7 Replace windows
- 8 Renovate existing bathrooms
- 9 Upgrade electrical system
- 10 New HVAC system
- 11 Enclose the drive-through area to relocate the tenant's refrigerated storage and equipment, improving the interior environment while maintaining a loading area connected to the alley

Tenant Space

- 12 Install vestibule or blower system at entry door for improved energy performance
- 13 Refresh interior FF&E

0' 10' 20'

Ketchum Town Square | Ketchum, ID 21

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KETCHUM TOWN SQUARE | PREFERRED PLAN

PHASING PLAN

VISITOR CENTER

Shell and Core

Initial improvements 2026-2027 - \$845,000

- 5 Restain exterior
- 6 Replace roof and insulation
- 7 Repair windows
- 8 Renovate existing bathrooms
- 9 Upgrade electrical system
- 10 New HVAC system
- 11 Enclose the drive-through area to relocate the tenant's refrigerated storage and equipment, improving the interior environment while maintaining a loading area connected to the alley

Ongoing improvements \$250,000

- 7 Replace windows

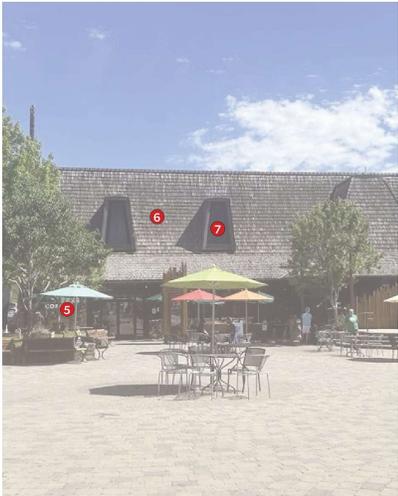
Tenant Space

By tenant 2026-2027 - \$30,000

- 12 Install vestibule or blower system at entry door for improved energy performance
- 13 Refresh interior FF&E

Visitor Center 2028-2029 - \$262,000

- 1 Visitor center interface upgrades - Complete
- 2 Expand historic interpretation and public art inside and out ('Cultural Trailhead')
- 3 Branding, wayfinding, and signage
- 4 New upper level conference room redesign




0' 10' 20'

GGLO

22

73

KETCHUM TOWN SQUARE | PREFERRED PLAN

Improve for Maintenance and Usability

- 1 **Landscape:** Replace lawn in raised planters with native plants, replace small ornamental trees with shade trees, new irrigation system, soil amendments
- 2 **Lawn and seating Area along 4th Street:** Expand lawn area, replace small ornamental trees with shade trees, new irrigation system, soil amendments, new chess tables
- 3 **Leroys:** Custom new build standard materials

Improve User Experience

- 4 **Shade Structures in Plaza:** Commercial grade umbrellas
- 5 **Cabanas:** Custom designed shade structure - log inspired with sun shades/cultural icon graphics
- 6 **Seating/Site Furnishings:** Replace all block walls with new seatwalls, new café tables and chairs, trash and recycling receptacles, bike racks
- 7 **Snowmelt System:** 30% of paved area: plaza only, hybrid system for periodic use after storms

Refresh and upgrade

- 8 **Firepit:** Replace with more efficient commercial unit
- 9 **Water Feature:** New scrim style water feature
- 10 **Utilities and Drainage:** Redo sewer line, others, repair only
- 11 **Restrooms:** Infrastructure upgrades, refresh finishes
- 12 **Exterior Lighting:** Wiring and bulb upgrades to existing

13 Donor Recognition, Signage and Wayfinding: New kiosk, donor recognition, Olympians recognition, new art pedestals

14 Decorative Pavement: Replace all with new pavers

15 Stage: Add shade structure (log inspired with sun shades) and new ADA/access ramp, resurface stage floor

PREFERRED PLAN

Town Square

Ketchum Town Square | Ketchum, ID 23

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KETCHUM TOWN SQUARE | PREFERRED PLAN

TOWN SQUARE INSPIRATION

Custom Log Inspired Shade Structure

Donor Recognition

Lawn Seating Area

Snowmelt System

Seat Walls

Native Planting in Raised Planters

Cafe Tables and Chairs

Shade Umbrellas

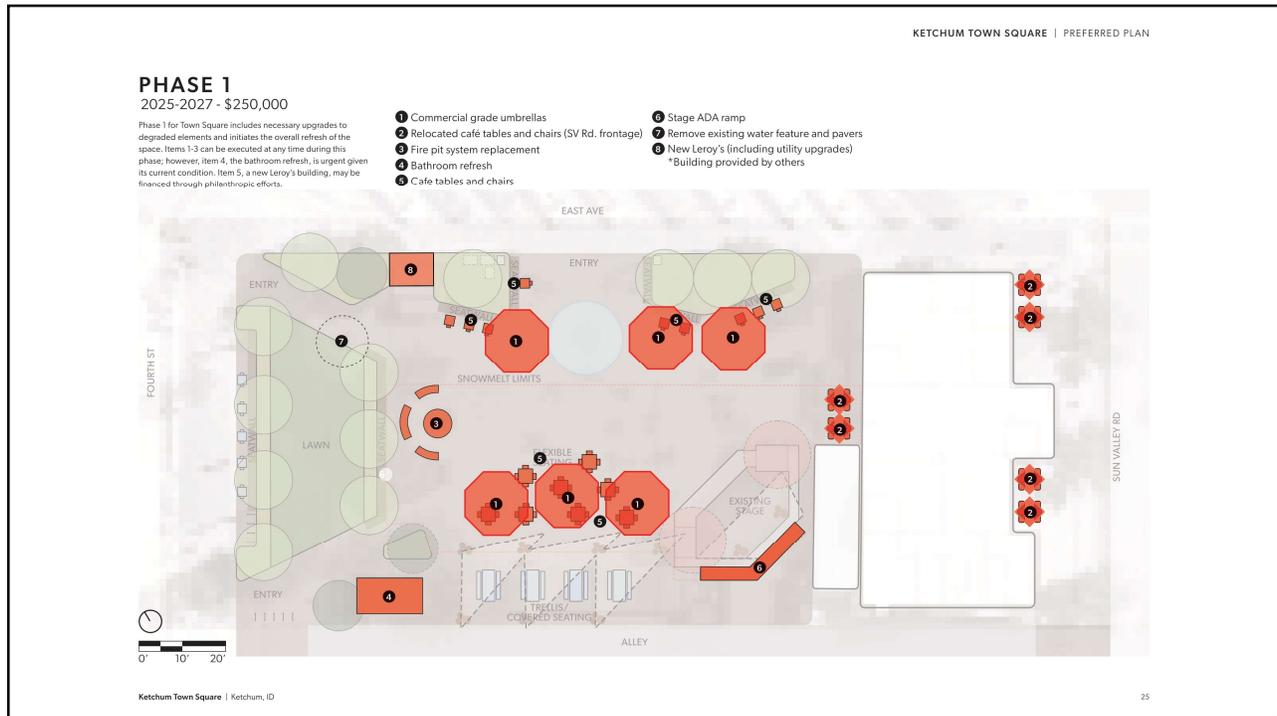
Chess Tables

Raised Planters with Seat Walls

Scrim Style Water Feature

GGLO

75



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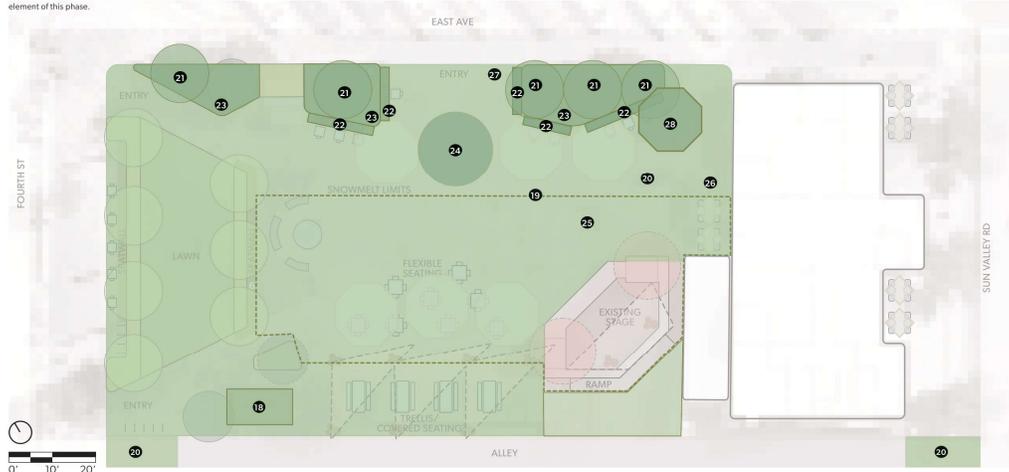


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PHASE 3 2029-2031 - \$1.15 M

Phase 3 extends the refresh of outdated furnishings and updates the planting and irrigation along the East Ave side of the Square. Key improvements in this phase include replacing all existing pavers and installing a strategically positioned snowmelt system around the stage. Additionally, a replacement of the existing bathroom and integrated water feature will be a significant element of this phase.

- 18 Bathroom replacement
- 19 Snowmelt system
- 20 Paver replacement
- 21 New trees
- 22 Seatwalls (east side)
- 23 Planting and irrigation (east side)
- 24 New water feature
- 25 Donor recognition
- 26 Signage and wayfinding
- 27 Upgrade exterior lighting
- 28 Install additional umbrella mount location



Ketchum Town Square | Ketchum, ID

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Ketchum Urban Renewal Agency

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

March 9, 2026

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

**Review Draft Finance/Budget Calendar
Review Financial Statement FY 2026 YTD February 2026
Review Updated Long-Term Financial Projection**

Introduction/History

Each year the KURA must adopt an annual budget. The proposed calendar is presented for board feedback to set the expectations for the budget process and key approval dates.

Along with the calendar, a year-to-date financial statement is provided as part of the regular financial update.

Per the prior meeting and the commitment to update the Board with regard to both the present and future financial standing of KURA resources, the packet includes a Long-Term Financial projection for discussion.

Recommendation and Motion

No motion needed at this time.

Attachments: Draft Finance/Budget Calendar
FY 2026 YTD Financial Statement February 2026
Long-Term Financial Projection



FY 2027 KURA Finance/Budget Calendar

- March 9 KURA Meeting
- Review Annual Calendar
 - Review & Approval of Annual Report
 - Long-term Financial Projection
- March 31 Deadline to submit CY 2025 (prior year) Annual Report (50-2006(c))
Agency shall publish in the local newspaper the filing of the report
- April 13 KURA Meeting
- Draft Operational Budget
 - Finalize CIP Priorities for FY 2027
 - CIP Direction for 2028 - 2030
- April 30 Deadline to Notify County Clerk of Budget Hearing Time & Place
- May 11 KURA Meeting
- Draft CIP/Infrastructure Budget
- June 1 Budget Packet provided to Board
- June 8 KURA Meeting
- Budget Workshop
 - Budget Approval for Notification
- June 17 Budget Published in IME
- June 24 Budget Published in IME
- July 13 Budget Hearing
- Budget Approval via Resolution
- September 1 Deadline to adopt and publish the FY 2027 Budget (50-1002)
- December 1 Alert central registry of area modifications (50-2913)
If none, must communicate as well

Notify City within 5 days of such notification with the State

Deadline to submit “Transparency Reporting” template to the State Central
Registry

CITY OF KETCHUM
BALANCE SHEET
FEBRUARY 28, 2026

URBAN RENEWAL AGENCY

ASSETS

98-1000-0000	CASH - COMBINED	11,279.54	
98-1010-0000	URBAN RENEWAL FUND CASH	543,276.05	
98-1050-0000	TAXES RECEIVABLE-CURRENT	33,044.77	
98-1150-0000	ACCTS RECVBL	1,050.00	
98-1510-0000	INVESTMENTS-URA GF #2987	6,262,813.52	
98-1510-1000	INVESTMENTS-URA DEBT #3243	436,877.20	
98-1514-0000	UNAMORTZED PRE-ISSUANCE BND CT	26,584.27	
98-1610-1000	FIXED ASSETS-211 FIRST ST. E.	2,294,745.56	
98-1610-2000	FIXED ASST-4TH ST.CORRIDOR IMP	1,000,000.00	
98-1610-3000	FIXED ASST-1ST & WASH PARKING	1,474,000.00	
98-1610-4000	INFRASTRUCTURE IMPROVEMENTS	397,135.87	
98-1630-0000	ACCUM DEPRN-BUILDINGS	(97,802.81)	
	TOTAL ASSETS		<u>12,383,003.97</u>

LIABILITIES AND EQUITY

LIABILITIES

98-2030-0000	ACCOUNTS PAYABLE	(43.50)	
98-2300-0000	ACCRUED INTEREST PAYABLE	2,197.29	
98-2340-0000	REFUNDING BONDS PAYABLE 2021	3,048,303.17	
	TOTAL LIABILITIES		3,050,456.96

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
98-2710-0000	FUND BALANCE	8,158,823.49	
	REVENUE OVER EXPENDITURES - YTD	1,173,723.52	
	BALANCE - CURRENT DATE	<u>9,332,547.01</u>	
	TOTAL FUND EQUITY		<u>9,332,547.01</u>
	TOTAL LIABILITIES AND EQUITY		<u>12,383,003.97</u>

CITY OF KETCHUM
REVENUES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING FEBRUARY 28, 2026

URBAN RENEWAL AGENCY

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEARNED</u>	<u>PCNT</u>
<u>PROPERTY TAX</u>					
98-3100-1000 TAX INCREMENT REVENUE	97,092.50	2,063,264.74	2,619,773.00	556,508.26	78.8
98-3100-1050 PROPERTY TAX REPLACEMENT	.00	7,636.03	15,000.00	7,363.97	50.9
98-3100-9000 PENALTY & INTEREST ON TAXES	1,443.71	6,273.53	5,000.00	(1,273.53)	125.5
	<u>98,536.21</u>	<u>2,077,174.30</u>	<u>2,639,773.00</u>	<u>562,598.70</u>	<u>78.7</u>
<u>MISCELLANEOUS REVENUE</u>					
98-3700-1000 INTEREST EARNINGS	.00	54,029.58	140,000.00	85,970.42	38.6
98-3700-1010 INTEREST EARNINGS-URA DEBT	.00	19,809.16	.00	(19,809.16)	.0
	<u>.00</u>	<u>73,838.74</u>	<u>140,000.00</u>	<u>66,161.26</u>	<u>52.7</u>
	<u>98,536.21</u>	<u>2,151,013.04</u>	<u>2,779,773.00</u>	<u>628,759.96</u>	<u>77.4</u>

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING FEBRUARY 28, 2026

URBAN RENEWAL AGENCY

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>URBAN RENEWAL EXPENDITURES</u>						
MATERIALS AND SERVICES:						
98-4410-3100	OFFICE SUPPLIES & POSTAGE	.00	.00	100.00	100.00	.0
98-4410-4200	PROFESSIONAL SERVICES	6,864.50	14,311.00	120,000.00	105,689.00	11.9
98-4410-4400	ADVERTISING & LEGAL PUBLICATIO	.00	.00	1,000.00	1,000.00	.0
98-4410-4600	LIABILITY INSURANCE	.00	2,172.50	4,000.00	1,827.50	54.3
98-4410-4800	DUES, SUBSCRIPTIONS, & MEMBERS	.00	.00	5,000.00	5,000.00	.0
98-4410-4900	PERSONNEL TRAINING/TRAVEL/MTG	.00	498.07	3,000.00	2,501.93	16.6
98-4410-6600	REFUNDS	.00	10,000.00	.00	(10,000.00)	.0
TOTAL MATERIAL AND SERVICES		6,864.50	26,981.57	133,100.00	106,118.43	20.3
CAPITAL OUTLAY:						
98-4410-7100	INFRASTRUCTURE PROJECTS	.00	921,774.50	2,050,000.00	1,128,225.50	45.0
98-4410-7103	MISCELLANEOUS OPA	.00	.00	138,000.00	138,000.00	.0
TOTAL CAPITAL OUTLAY		.00	921,774.50	2,188,000.00	1,266,225.50	42.1
OTHER EXPENDITURES:						
98-4410-8801	REIMBURSE CITY GENERAL FUND	9,511.15	28,533.45	105,000.00	76,466.55	27.2
98-4410-9930	URA FUND OP. CONTINGENCY	.00	.00	50,000.00	50,000.00	.0
TOTAL OTHER EXPENDITURES		9,511.15	28,533.45	155,000.00	126,466.55	18.4
TOTAL URBAN RENEWAL EXPENDITURE		16,375.65	977,289.52	2,476,100.00	1,498,810.48	39.5

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING FEBRUARY 28, 2026

URBAN RENEWAL AGENCY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>URA DEBT SERVICE EXPENDITURES</u>					
OTHER EXPENDITURES:					
98-4800-8400 DEBT SERVICE ACCT PRIN-2021	.00	.00	495,067.00	495,067.00	.0
98-4800-8450 DEBT SRVC ACCT INTRST-2021	.00	.00	44,414.00	44,414.00	.0
TOTAL OTHER EXPENDITURES	.00	.00	539,481.00	539,481.00	.0
TOTAL URA DEBT SERVICE EXPENDIT	.00	.00	539,481.00	539,481.00	.0
TOTAL FUND EXPENDITURES	16,375.65	977,289.52	3,015,581.00	2,038,291.48	32.4
NET REVENUE OVER EXPENDITURES	82,160.56	1,173,723.52	(235,808.00)	(1,409,531.52)	497.8
	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT

**KURA
Financial Forecast**

Version 02.26.2026

Revenue Source	FY 2025 Actual	FY 2026 Adopted Budget	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
1 Undesigned Fund Balance	\$4,857,482	\$6,080,523		\$5,172,841	\$4,990,053	\$3,583,078	\$3,316,299
2 Tax Increment Revenue	\$2,700,848	\$2,619,773	\$2,862,899	\$3,034,673	\$3,186,407	\$3,345,727	\$3,513,013
3 Property Tax Replacement	\$15,272	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
4 Penalty & Interest	\$14,604	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
5 Interest Earnings	\$225,653	\$140,000	\$140,000	\$50,000	\$20,000	\$10,000	\$5,000
6 Interest Earnings on Debt	\$25,866	\$0	\$0	\$0	\$0	\$0	\$0
7 Rent	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0
8 Refunds & Reimbursements	\$2,325	\$0	\$0	\$0	\$0	\$0	\$0
9 Total	\$2,987,569	\$2,779,773	\$3,022,899	\$3,104,673	\$3,226,407	\$3,375,727	\$3,538,013
Expenditures							
Expenditure Type	FY 2025 Actual	FY 2026 Adopted Budget	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
10 Materials & Services including Other	\$136,049	\$288,100	\$288,100	\$300,000	\$300,000	\$300,000	\$300,000
11 OPA Payments	\$0	\$138,000	\$138,000	\$146,000	\$146,000		
12 Capital Outlay	\$1,088,019	\$2,050,000	\$2,965,000	\$2,300,000	\$1,450,000	\$2,800,000	\$2,300,000
13 Debt Service	\$541,706	\$539,481	\$539,481	\$541,461	\$537,381	\$542,506	\$541,306
14 Housing Projects					\$2,200,000		
15 Total	\$1,765,774	\$3,015,581	\$3,930,581	\$3,287,461	\$4,633,381	\$3,642,506	\$3,141,306
16 Net/Assumed Use of Fund Balance	\$1,221,794	-\$235,808	-\$907,682	-\$182,788	-\$1,406,974	-\$266,779	\$396,707
17 FY 2025 Capital Reimbursements		\$915,000					
18 Projected Unassigned Fund Balance	\$6,079,276	\$4,929,715	\$5,172,841	\$4,990,053	\$3,583,078	\$3,316,299	\$3,713,007

*Annual growth assumptions (revenues): FY 2026 Projection Reset and 6% increment growth thereafter.