



KETCHUM URBAN RENEWAL AGENCY
Monday, March 27, 2023 at 2:00 PM
191 5th Street West, Ketchum, Idaho 83340

AGENDA

PUBLIC PARTICIPATION INFORMATION

Public information on this meeting is posted outside City Hall.

We welcome you to watch Board Meetings via live stream.

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

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

1. Join us via Zoom (*please mute your device until called upon*).
Join the Webinar: <https://ketchumidaho-org.zoom.us/j/84155819307>
Webinar ID: 841 5581 9307
2. Join us at City Hall.
3. Submit your comments in writing at info@ketchumura.org (*by noon the day of the meeting*).

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

CALL TO ORDER:

ROLL CALL:

COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS:

CONSENT CALENDAR: (ALL ACTION ITEMS)

1. ACTION ITEM: Approval of bills
2. ACTION ITEM: Approval of February 21, 2023 Minutes

DISCUSSION ITEMS:

3. Legislative Update
4. Update on First and Washington Project

ACTION ITEMS:

5. ACTION ITEM: Recommendation to conduct a public meeting, hear public comments and adopt Resolution 23-URA02 approving the Annual Report of the Urban Renewal Agency for Calendar Year 2022.



- [6.](#) ACTION ITEM: Review, discussion and direction to staff on the option to pursue related to the Series 2021 Bonds issued by the KURA.

ADJOURNMENT:

Report Criteria:

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

Vendor Name	Invoice Number	Description	Net Invoice Amount
URBAN RENEWAL AGENCY			
URBAN RENEWAL EXPENDITURES			
98-4410-4200 PROFESSIONAL SERVICES			
KETCHUM COMPUTERS, INC.	19493KURA	KURA BUILDING DOCS	82.50
ELAM & BURKE	200480	General Representation January 2023	571.95
ELAM & BURKE	200481	PROFESSIONAL SERVICES 1ST AND WASHINGTON PROJ	10,098.30
Total URBAN RENEWAL EXPENDITURES:			10,752.75
Total URBAN RENEWAL AGENCY:			10,752.75
Grand Totals:			10,752.75

Invoice

Date	Invoice #
3/1/2023	19493
Terms	Due Date
Net 30	3/31/2023

Bill To
City of Ketchum - General Government Attn: City Administrator PO Box 2315 Ketchum ID 83340

Federal Tax ID: 26-1671669

billing@ketchumcomputers.com

Date	Employee	Description	Quantity	Rate	Amount
3/28/2023	Mandeville	Server, Remote Desktop Server and Network maintenance	1	1,306.80	1,306.80
3/28/2023	Mandeville	Monthly Workstation Maintenance: City Administrator	8	49.50	396.00
3/28/2023	Mandeville	Monthly Workstation Maintenance: City Clerk	5	49.50	247.50
3/28/2023	Mandeville	Monthly Workstation Maintenance: Planning and Building	6	49.50	297.00
3/28/2023	Mandeville	Monthly Workstation Maintenance: Ketchum Fire Department	9	49.50	445.50
3/28/2023	Mandeville	Monthly Workstation Maintenance: Parks	6	49.50	297.00
3/28/2023	Mandeville	Monthly Workstation Maintenance: Streets	6	49.50	297.00
3/28/2023	Mandeville	Monthly Workstation Maintenance: Utilities	11	49.50	544.50
3/28/2023	Mandeville	Monthly Workstation Maintenance: Facilities	3	49.50	148.50
2/1/2023	Mandeville	KFD - Configuration of Cradlepoint and Airgain devices for in vehicle connectivity.	4.75	165.00	783.75
2/1/2023	Mandeville	Fire: Work with Jamie on Cradlepoint and Airgain programming.	0.5	165.00	82.50
2/1/2023	Mandeville	<u>KURA: Suzanne Building document access</u>	0.5	165.00	82.50
2/2/2023	Mandeville	Clerk: Caselle Prelease Update	1	165.00	165.00
2/2/2023	Mandeville	Wastewater: James password policy, Frank access to website that was getting blocked at firewall.	0.5	165.00	82.50
2/2/2023	Mandeville	Clerk: Resolve COWS error on Caselle.	0.5	165.00	82.50
2/3/2023	Mandeville	Wastewater: Meeting on redundant callout method after failed Centurylink POTS line.	0.5	165.00	82.50
2/3/2023	Mandeville	Admin: Instructions on Distribution list adjustments	0.25	165.00	41.25
2/8/2023	Mandeville	Admin: Aly not able to send emails from 365. Issue caused by spam threshold alert. Troubleshoot and reenable.	0.75	165.00	123.75
2/13/2023	Mandeville	Housing: Sharepoint planning and testing with Carissa, Create Sharepoint Document Library for Housing. Planning meeting with Sarah and Trent. Tripp Housing email access.	3	165.00	495.00

Total

Invoice

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3/1/2023	19493
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Net 30	3/31/2023

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Date	Employee	Description	Quantity	Rate	Amount
2/13/2023	Mandeville	Clerk: IT meeting with Trent. Diagnose Warm Springs room mic. Order new Mic. Test Video. Laptop connectivity at front desk.	2.5	165.00	412.50
2/13/2023	Mandeville	KFD: Work with Brooke on email account takeover. Password and MFA reset. Email recipients. Quote wireless bridge for Training Center.	2	165.00	330.00
2/15/2023	Mandeville	Admin: Aly Sharepoint issues. Email planning.	0.5	165.00	82.50
2/15/2023	Mandeville	Housing: Meeting with Sarah on BCHA changeover	1	165.00	165.00
2/21/2023	Mandeville	KFD: RadioIP Install. RDP access for workstation. Laptop timeout adjustment. Monitors.	1.5	165.00	247.50
2/21/2023	Mandeville	Clerk: 8x8 meeting on licensing and adjustments.	1	165.00	165.00
2/21/2023	Mandeville	Admin: Lisa Sharepoint and Active Directory.	0.5	165.00	82.50
2/21/2023	Mandeville	Housing: Carissa distribution list. Adjust Housing email.	0.25	165.00	41.25
2/22/2023	Mandeville	Clerk: Weekly meeting with Trent. Install new mic and cable protector in Warm Springs room. KData server cleanup to resolve failed backups.	2.5	165.00	412.50
2/22/2023	Mandeville	Water: Work with Caselle support on Database restore after meter reading corruption.	1	165.00	165.00
2/23/2023	Mandeville	Clerk: 8x8 licensing and generate list of users to downgrade.	0.5	165.00	82.50
2/24/2023	Mandeville	Admin: Fiber project for Traffic Signals.	1	165.00	165.00
2/27/2023	Mandeville	Clerk: Public Records Requests, IT meeting, Fiber specs to vendors. Caselle support call to deliver databases.	4	165.00	660.00
2/27/2023	Mandeville	Fire: Raven and Gateway install. Firewall issue on A22 laptop.	1.75	165.00	288.75
2/27/2023	Mandeville	Housing: New user email setup.	0.5	165.00	82.50
2/28/2023	Mandeville	Clerk: Public Records requests, video remote in Trail Creek room	2	165.00	330.00
2/28/2023	Mandeville	Housing: New User setup. Laptop, Office, Browsing, Phone.	3.25	165.00	536.25

Total	\$10,249.80
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251 East Front Street, Suite 300
Post Office Box 1539
Boise, Idaho 83701
Telephone 208 343-5454
Fax 208 384-5844

Tax Id No. 82-0451327

Ketchum Urban Renewal Agency
Attn: Suzanne Frick
Executive Director
PO Box 2315
Ketchum, ID 83340

January 31, 2023

Invoice # 200480

Billing Atty - MSC

FOR PROFESSIONAL SERVICES RENDERED

From January 10, 2023 Through January 31, 2023

RE: General Representation

CLIENT/MATTER: 08962-00001

HOURS

1/10/23	RPA	.20	Review and comment on draft agenda for board meeting.
1/13/23	RPA	.30	Review email concerning the board meeting packet. Address City-Agency agreement and need for revisions.
1/17/23	RPA	1.00	[NO CHARGE] Review board packet. Attend board meeting via zoom.
1/26/23	MSC	.50	Review preliminary estimates forecasting increased budget capacity at termination. Review termination date projections re value and levy rate. Review nuanced text concerning the applicability of the preliminary levy rate that may reduce the budget capacity. Draft internal email re same and outlining potential variables to the analysis.
1/26/23	RPA	.30	Review and respond to email from financial advisor concerning close out, levy rates, and revenue to taxing districts.
1/31/23	ARG	1.20	Draft resolution for Agency custodian of public records. Draft annual report approval resolution. Draft public filing notice.

PROFESSIONAL FEES

562.50

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Ketchum Urban Renewal Agency
Attn: Suzanne Frick
Executive Director
PO Box 2315
Ketchum, ID 83340

January 31, 2023
Invoice # 200481
Billing Atty - MSC

FOR PROFESSIONAL SERVICES RENDERED

From January 3, 2023 Through January 31, 2023

RE: 1st and Washington Project

CLIENT/MATTER: 08962-00003

HOURS

1/03/23	ARG	4.40	Review proposed revisions provided by WRCHT to ANE. Review original response to RFP for consistency with terms of ANE. Review terms of KURA bonds for purposes of determining legality of certain provisions. Analyze certain provisions related to ground lease and legal authority.
1/03/23	RPA	1.50	Review and comment on letter to Rick Skinner and John McDevitt concerning engagement for tax certificate compliance and new bond issue. Review revisions to the agreement to negotiate exclusively and outline additional drafting.
1/04/23	ARG	2.20	Draft revisions to proposed changes to ANE proposed by WRCHT legal counsel. Draft email correspondence to Suzanne Frick regarding main issues for discussion and negotiation in ANE. Revise ANE and send same to Suzanne Frick.
1/04/23	RPA	1.50	Review email and respond to inquiry from Eric Heringer on timing of financing and tax increment proceeds in 2031. Review and comment on latest draft of exclusive right agreement. Outline issues for follow up.
1/05/23	ARG	.70	Review email correspondence from Suzanne Frick regarding revisions to ANE. Review draft revisions and comments proposed by Suzanne Frick in ANE. Respond to same.

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Tax Id No. 82-0451327

RE: 1st and Washington Project

CLIENT/MATTER: 08962-00003

January 31, 2023

Invoice # 200481

1/05/23	RPA	.20	Outline issues for discussion concerning the agreement to negotiate exclusively and schedule for approval.
1/06/23	ARG	2.70	Revise ANE based on discussion with Suzanne Frick. Teams meeting with Suzanne Frick to discuss revisions proposed by developer to ANE. Further revise ANE based on additional requested changes. Draft email correspondence to WRCHT legal counsel regarding revised ANE and reason for revisions.
1/06/23	RPA	1.50	Review emails concerning support for the 1st and Washington project. Further revisions of the ANE and remaining issues. Coordinate distribution to developer counsel. Consider content of privileged memo for Board meeting.
1/09/23	ARG	1.70	Draft executive summary for review by Agency Board regarding ANE. Review ANE for purposes of drafting executive summary to Board.
1/09/23	RPA	.70	Review and comment on executive summary and memo to the board for the board meeting concerning major issues and unresolved issues for the Agreement to Negotiate Exclusively. Follow up on documents for the Board meeting.
1/10/23	ARG	1.20	Review financial status of KURA related to bonding opportunities to finance parking garage structure. Draft email correspondence to John McDevitt regarding letters of engagement. Revise executive summary and add additional provisions. Send same to Suzanne Frick to provide to Board.
1/10/23	RPA	1.00	Follow up on status of bond counsel engagement letters. Review and comment on presentation of financial capacity prepared by Eric Heringer. Address parking structure financing and options.
1/11/23	ARG	1.80	Review revisions to ANE provided by Developer. Revise ANE based on same. Send email correspondence to Suzanne Frick regarding same. Draft email correspondence to Developer's legal counsel regarding same. Revise executive summary of ANE based on updated changes. Review

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RE: 1st and Washington Project

CLIENT/MATTER: 08962-00003
January 31, 2023
Invoice # 200481

engagement letters provided by McDevitt for bond
counsel services.

1/11/23	RPA	1.50	Review information from Eric Heringer re financing analysis. Coordinate work session with Eric. Review revised engagement letters from Skinner McDevitt. Review various emails from development team on changes to the agreement. Review revised agreement sign off for distribution to the Board.
1/12/23	ARG	2.30	Finalize ANE for Board consideration. Review and respond to email correspondence from Frank Lee regarding same. Update resolution approving ANE. Send same to Suzanne Frick. Telephone call with Eric Heringer regarding financing options for KURA funding of parking garage.
1/12/23	RPA	2.00	Review emails on approval of the ANE and bond counsel engagement letters. Prepare for and attend work session with Abbey Germaine and Eric Heringer re financing options, KURA revenue, additional bonds test, and next steps.
1/13/23	RPA	.50	Outline issues for DDA and compliance issues for the ANE. Address presentation material for the Board meeting.
1/17/23	ARG	2.40	Prepare for Board meeting by reviewing agenda and packet materials. Attend Board meeting and provide overview of pertinent terms of ANE and next steps. Draft outline of items to be discussed with Suzanne Frick at check in meeting.
1/17/23	RPA	1.00	Review questions posed by Board members in preparation for the Board meeting. Address issues for the Agreement to Negotiate Exclusively. Attend that portion of the Board meeting to consider approval of the Agreement.
1/18/23	ARG	.90	Teams meeting with Suzanne Frick to discuss next steps following Board meeting. Review and respond to email correspondence with Suzanne Frick and Development team and Eric Heringer regarding project.
1/18/23	RPA	2.50	Review and follow up on signing of documents

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RE: 1st and Washington Project

CLIENT/MATTER: 08962-00003
January 31, 2023
Invoice # 200481

approved at the Board meeting. Address next steps for engagement with Piper Sandler. Draft email concerning how provision on taxes should be addressed. Conference call work session with Abbey Germaine and Suzanne Frick on next steps, meeting with developer on parking and regular developer meetings.

1/19/23	ARG	.30	Review and respond to email correspondence from Suzanne Frick and Mark Edlen regarding next steps on parking structure development. Draft email correspondence to John McDevitt regarding discussion of parking financing.
1/19/23	RPA	1.00	Review and respond to several emails on upcoming meeting with the developer team on the parking issues. Consider agenda items for that session. Follow up with meeting with bond counsel. Address Agency response to parking issues.
1/20/23	RPA	.30	Review and respond to emails concerning coordinating meetings with bond counsel and development team.
1/22/23	RPA	.50	Review emails and other documents. Prepare for work session.
1/23/23	ARG	.50	Teams meeting w/ KURA and development team regarding parking issues and next steps.
1/23/23	RPA	.80	Prepare for and attend work session via zoom re parking issues and design issues. Outline next steps and follow up.
1/24/23	RPA	.30	Outline issues and next steps for parking and design. Coordinate upcoming meetings.
1/25/23	ARG	.30	Review and respond to email correspondence from Suzanne Frick regarding next steps on parking needs. Review email correspondence from Suzanne Frick regarding agency custodian resolution and need for amendments.
1/26/23	ARG	.70	Zoom meeting with KURA and Development team including Pivot to discuss parking options and potential versions of parking structure.
1/26/23	RPA	1.00	Review several emails on outstanding parking issues and design considerations. Prepare for

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RE: 1st and Washington Project

CLIENT/MATTER: 08962-00003
January 31, 2023
Invoice # 200481

and attend zoom call work session with developer representatives, Suzanne Frick and Abbey Germaine.

1/27/23	ARG	1.00	Teams meeting with John McDevitt and Rick Skinner regarding bond financing issues related to parking garage structure.
1/27/23	RPA	1.30	Prepare for and attend work session with Abbey Germaine, Rick Skinner, and John McDevitt concerning parking issues, private use issues, ownership of parking garage. Address financing issues, whether IHFA can fund the parking structure. Outline next steps and communication with the developer.
1/30/23	ARG	1.60	Review contract provided by Desman for parking consultant services. Draft email correspondence to Suzanne Frick regarding same. Revise parking consultant contract. Outline necessary dates for action item completion based on ANE effective date.
1/30/23	RPA	.60	Review emails and proposed contract from parking consultant. Follow up on revisions to the contract, authority needed from Board. Coordinate options for special meeting and approval.
1/31/23	ARG	.10	Review and respond to email correspondence from Suzanne Frick related to ANE requirements and timeline.
1/31/23	RPA	.30	Review emails concerning special Board meeting, utilities issues, and parking consultant agreement.

PROFESSIONAL FEES

10,080.00

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Meeting Minutes

Tuesday, February 21, 2023,

2:00pm

Ketchum City Hall

CALL TO ORDER:

Vice-Chair Casey Dove called the meeting to order at 2:00 p.m. *(00:00:15 in video)*

ROLL CALL:

Present

Chair Susan Scovell—*via teleconference*

Board Member Gary Lipton

Board Member Casey Dove

Board Member Jim Slanetz

Board Member Amanda Breen

Other attendees:

Suzanne Frick, KURA Executive Director

Jade Riley, City Administrator

Abbey Germaine, KURA Counsel—*via teleconference*

Ryan Armbruster, KURA Counsel—*via teleconference*

Harry Griffith, Sun Valley Economic Development

Communication from Board Members *(00:00:45 in video)*

CONSENT CALENDAR: ALL ACTION ITEMS *(00:01:12 in video)*

1. **Motion to approve January 17, 2023, Minutes** *(00:01:31 in video)*
Motion made by Amanda Breen; seconded by Casey Dove
Ayes: Gary Lipton, Susan Scovell, Casey Dove, Jim Slanetz, Amanda Breen
Nays: None
2. **Motion to approve February 6, 2023, Minutes** *(00:02:00 in video)*
Motion made by Amanda Breen; seconded by Gary Lipton
Ayes: Gary Lipton, Susan Scovell, Casey Dove, Jim Slanetz, Amanda Breen
Nays: None
3. **Motion to approve Bills** *(00:02:25 in video)*
Motion made by Susan Scovell; seconded by Jim Slanetz
Ayes: Gary Lipton, Susan Scovell, Casey Dove, Jim Slanetz, Amanda Breen

4. **Motion to approve Adoption of Resolution 23-URA01** *(00:2:52 in video)*
Motion made by Jim Slanetz; seconded by Gary Lipton
Ayes: Gary Lipton, Susan Scovell, Casey Dove, Jim Slanetz, Amanda Breen
Nays: None

DISCUSSION ITEMS *(00:03:09 in video)*

5. **Update on Legislative Items** *(00:03:18 in video)*
Presented by: Ryan Armbruster
6. **Quarterly Update from Sun Valley Economic Development** *(00:08:34 in video)*
Presented by: Harry Griffith *(00:08:51 in video)*

Comments, questions, and discussion by board members *(00:21:34 in video)*

ACTION ITEMS

7. **Recommendation to review and tentatively approve the 2022 Annual Report for the Ketchum Urban Renewal Agency and set the date for the public meeting.** *(00:33:14 in video)*
Presented by: Suzanne Frick

Motion to tentatively approve the 2022 KURA Annual Report and direct staff to notice and schedule adoption at the March 27, 2023, meeting. *(00:34:50 in video)*
Motion made by Amanda Breen; seconded by Jim Slanetz
Ayes: Gary Lipton, Susan Scovell, Casey Dove, Jim Slanetz, Amanda Breen
Nays: None
8. **Recommendation to approve Legal services agreement 50086 with Elam and Burke for 1st and Washington Legal Services.** *(00:35:12 in video)*
Presented by: Ryan Armbruster

Motion to approve Legal services agreement 50086 with Elam and Burke for 1st and Washington Legal Services. *(00:36:41 in video)*
Motion made by Gary Lipton; seconded by Susan Scovell
Ayes: Gary Lipton, Susan Scovell, Casey Dove, Jim Slanetz, Amanda Breen
Nays: None



9. **Recommendation to Amend Agreement 50075 between the KURA and the City for Administrative Services.** *(00:37:05 in video)*

Presented by Suzanne Frick

Motion to Authorize the Chair to sign the Amendment to Agreement 50075.
(00:38:29 in video)

Motion made by Jim Slanetz; seconded by Casey Dove

Ayes: Gary Lipton, Susan Scovell, Casey Dove, Jim Slanetz, Amanda Breen

Nays: None

10. **Review and Approval of the Letter Addressing KURA Comments per the Agreement to Negotiate Exclusively.** *(00:38:45 in video)*

Presented by: Suzanne Frick and Abbey Germaine

Comments, questions, and discussion by board members *(00:41:51 in video)*

Motion to Authorize the Chair to sign the attached February 21, 2023, letter to the Development Team with the two additions that have been identified. *(00:52:18 in video)*

Motion made by Jim Slanetz; seconded by Susan Scovell

Ayes: Gary Lipton, Susan Scovell, Casey Dove, Jim Slanetz,

Recused: Amanda Breen

Nays: None

A Special Meeting for the KURA to discuss Parking in regard to the 1st and Washington Project set tentatively for March 13. *(00:55:41 in video)*

ADJOURNMENT:

Motion to adjourn 2:58pm

Motion made by Casey Dove; seconded by Amanda Breen

Ayes: Gary Lipton, Jim Slanetz, Casey Dove, Susan Scovell,

Nays: None

Susan Scovell, Chair

ATTEST:

Trent Donat KURA Secretary



Ketchum Urban Renewal Agency

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

March 27, 2023

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO RECEIVE PUBLIC COMMENT AND APPROVE 2022 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.

Notice was published on March 1st and March 15th 2023 in the Mountain Express. The notice provided a link to the Annual Report and requested public comment identifying March 27, 2023 as the date for Board action. Notice was also posted on the KURA website providing the opportunity for comment. To date, no comments have been received.

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 23-URA02 approving the 2022 Annual Report for the Ketchum Urban Renewal Agency and direct staff to file the report to required agencies and Series 2021 Bond Holders.”

Attachment A: Resolution 23-URA02

Attachment A

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 2022; 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 2022, 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 February 21, 2023, Board meeting and directed that the report be made available and notice of availability be posted on the Agency’s website;

WHEREAS, on March 27, 2023, pursuant to Section 50-2006(5)(c), Idaho Code, the

Agency held an open public meeting, properly noticed, to report these 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.

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 27, 2023.

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 27, 2023. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on March 27, 2023.

APPROVED

By _____
Susan Scovell, Chair

ATTEST:

By _____
Secretary

Exhibit A

2022

Ketchum Urban Renewal Agency Annual Report





2022 ANNUAL REPORT

This 2022 Annual Report of activities of the Ketchum Urban Renewal Agency is filed pursuant to Idaho Code Section 50-2006(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 2022 Board of Commissioners: Chair Susan Scovell, Vice Chair Casey Dove, Commissioner Casey Burke, Commissioner Gary Lipton, appointed January 3, 2022, Amanda Breen, Commissioner Jim Slanetz and Commissioner Tyler Davis-Jeffers appointed August 15, 2022 to replace Ed Johnson. This 2022 Annual Report was prepared by the KURA Executive Director, Suzanne Frick.

The 2022 activities and accomplishments of the Ketchum Urban Renewal Agency are as follows:

BUDGET SUMMARY

- a. Motion to adopt Resolution No. 21-URA03, 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, 2021, and ending September 30, 2022, for all general, special, and corporate purposes; directing the Executive Director to submit said budget; and proving an effective date.
- b. A financial statement for the Ketchum Urban Renewal Agency setting forth its assets, liabilities, income, and operating expense as of the end of FY 22 (*October 2021 thru September 2022*), is attached as Exhibit A, the FY22 Budget is attached as Exhibit B, and a summary of FY22 budget and expenditures is attached as Exhibit C.

ACTIONS TAKEN BY THE BOARD

In 2022 the primary focus of the Board consisted of actions related to the KURA owned property at 1st Street and Washington Avenue and public infrastructure projects.

1st Street and Washington Avenue. This property is a 22,000 square foot parcel currently used for surface public parking. The Board initiated public outreach to identify development opportunities and concluded the site should be developed with deed restricted workforce housing. After the public outreach, the Board reviewed and approved a request for proposal for development of the site. Three proposals were submitted and the Board selected Wood River Community Housing Trust/deChase Miksis as the preferred development team. The Board entered into an Agreement to Negotiate Exclusively and negotiations are underway on a Development and Disposition Agreement (DDA) and Ground Lease.

Public Infrastructure. The Board approved funding of sidewalk and street improvements on Sun Valley Road, demolition of the old city hall building located at 580 East Avenue to facilitate the development of the Bluebird Housing Project, an affordable housing project, design, and engineering of infill sidewalks in the downtown, and reimbursement of public infrastructure associated with the Bluebird Housing Project. All the projects are either completed or underway except for the infill sidewalks. No bids were submitted for the work and the project was put on hold.

The following reflects the actions taken by the Board in 2022.

January 18, 2022 Meeting

- Motion to approve Resolution 22-URA02 contract to reimburse the City of Ketchum for demolition of the old City Hall.
- Motion to approve participation in a joint meeting of the Ketchum City Council, Planning and Zoning Commission and Ketchum Urban Renewal Agency.

February 22, 2022 Meeting

- Motion to approve the scope of work for Agnew Beck to conduct public outreach and development options for a project located at the KURA owned property at First Street and Washington Avenue.
- Motion to approve Resolution 22-URA03 rescinding expired owner participation agreements.

March 4, 2022 Meeting

- Motion to approve Resolution 22-URA04 approving Agreement 50077 between the KURA and the City of Ketchum for planning, design, engineering, and construction projects downtown.
- Motion to approve Resolution 22-URA05 adopting amended and restated KURA Bylaws.

March 21, 2022 Meeting

- Motion to approve funding for improvements to Sun Valley Road.

April 18, 2022 Meeting

- Motion to approve Resolution 22-URA06 approving the 2021 KURA Annual Report.

- Motion to authorize the Chair to sign the April 18, 2022 funding commitment letter for the Bluebird Housing Project.

May 16, 2022 Meeting

- Motion to approve the Request for Proposal for development of the KURA property at First Street and Washington Avenue with modifications identified by the Board.
- Motion to notify the Ketchum City Council in writing a request to participate in funding development at the KURA property located at First Street and Washington Avenue in the amount of \$1.5 million.
- Motion to accept forming a partnership with Blaine County Housing Authority for the development of the Lift Towner Lodge property.
- Motion to approve funding for the replacement of pavers on 4th Street.

June 27, 2022 Meeting

- Motion to approve the draft FY 22-23 budget with changes as requested by the Board and notice for a public hearing on July 18, 2022.
- Motion to approve Resolution 22-URA09 to amend the KURA reimbursement policy.
- Motion to approve amendment to Agreement 50074 with Agnew Beck to include financial evaluation of the RFP proposals for First Street and Washington Avenue.
- Motion to approve Resolution 22-URA08 and Agreement 50078 between the KURA and Bluebird Housing Partners LLC for infrastructure improvements.

July 18, 2022 Meeting

- Motion to approve Resolution 22-URA07 the Annual Appropriation Resolution for adoption of the FY22 KURA Budget.

August 15, 2022 Meeting

- Motion to approve Resolution 22-URA10 approving an amendment to Agreement 50076 between the KURA and the City of Ketchum to reimburse the cost of demolition of old City Hall.
- Motion to approve \$24,000 reimbursement to Andrew Castellano per Agreement 50026.

October 17, 2022 Meeting

- Motion to direct staff to prepare a contract for services with Sun Valley Economic Development in the amount of \$10,000 for FY23.
- Motion to approve engagement letter with Workman and Company to prepare FY22 Financial Statement.

November 14, 2022 Meeting

- Motion to approve Trent Donat as KURA Board Secretary.
- Motion to approve Resolution 22-URA12 approving Agreement 50080 with Sun Valley Economic Development in the amount of \$10,000.
- Motion to approve Resolution 22-URA11 approving the selection of WRCHT/deChase Miksis development proposal and directing staff to enter negotiations for an Agreement to Negotiate Exclusively.
- Motion to approve amendment to Agreement 50074 with Agnew Beck for additional services.

December 19, 2022 Meeting

- Motion to approve FY22 Financial Statement and Audit and direct the Executive Director to file the financial statement with the appropriate entities.
- Motion to approve Resolution 22-URA14 establishing the meeting dates for 2023.

ATTACHMENTS:

- A: FY22 Audited Financial Statement
- B: FY22 Adopted Budget
- C: Summary of unaudited FY22 budgeted revenues and expenditures to actuals

KETCHUM URBAN RENEWAL AGENCY

KETCHUM, IDAHO

**Financial Statements
at September 30, 2022**

**KETCHUM URBAN RENEWAL AGENCY
KETCHUM, IDAHO**

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

INDEPENDENT AUDITOR'S REPORT

November 4, 2022

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, 2022, 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, 2022, 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 14 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, schedule of long-term debt is fairly stated in all material respects in relation to the basic financial statements as a whole.

Workman & Company

Certified Public Accountants
Twin Falls, Idaho

KETCHUM URBAN RENEWAL AGENCY
Statement of Net Position
at September 30, 2022

	<u>Total Primary Government</u>	<u>Total Reporting Entity</u>
<u>ASSETS</u>		
Cash and Deposits	\$ 3,773,652	\$ 3,773,652
Accounts and Property Tax Receivable	11,988	11,988
Total	<u>3,785,640</u>	<u>3,785,640</u>
Capital Assets:		
Land, Buildings and Improvements	4,165,882	4,165,882
Fourth Street Corridor Improvements	1,000,000	1,000,000
Total	<u>5,165,882</u>	<u>5,165,882</u>
Less Accumulated Depreciation	(59,366)	(59,366)
Total Capital Assets	<u>5,106,516</u>	<u>5,106,516</u>
Total Assets	<u>8,892,156</u>	<u>8,892,156</u>
<u>LIABILITIES</u>		
Accrued Interest Payable	2,890	2,890
Long-term Liabilities:		
Portion due or payable within one year:		
Bonds Payable	472,588	472,588
Portion due or payable after one year:		
Bonds Payable	3,537,138	3,537,138
Unamortized Pre-Issuance Bond Costs	(34,969)	(34,969)
Total Liabilities	<u>3,977,647</u>	<u>3,977,647</u>
<u>NET POSITION</u>		
Invested in Capital Assets - net of related debt	0	0
Restricted For:		
Capital Projects	0	0
Debt Service	0	0
Affordable Housing	195,514	195,514
Unrestricted	<u>4,718,995</u>	<u>4,718,995</u>
Total Net Position	<u>\$ 4,914,509</u>	<u>\$ 4,914,509</u>

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Statement of Activities
For the Year Ended September 30, 2022

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position	
		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Total
Governmental:					
General Government	\$ 566,766	\$ 36,000	\$ 0	\$ (530,766)	\$ (530,766)
Contributions to City of Ketchum	<u>0</u>			<u>0</u>	<u>0</u>
Total Governmental Activities	<u>566,766</u>	<u>36,000</u>	<u>0</u>	<u>(530,766)</u>	<u>(530,766)</u>
General Revenues:					
Property Taxes				2,108,546	2,108,546
Penalty and Interest on Taxes				7,642	7,642
Refunds and Reimbursements				1,920	1,920
Interest				<u>18,534</u>	<u>18,534</u>
Total general revenues and transfers				<u>2,136,642</u>	<u>2,136,642</u>
Changes in net position				1,605,876	1,605,876
Net Position - Beginning				<u>3,308,633</u>	<u>3,308,633</u>
Net Position - Ending				<u>\$ 4,914,509</u>	<u>\$ 4,914,509</u>

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Balance Sheet
Governmental Funds
at September 30, 2022

	<u>Total Governmental Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 3,773,652
Taxes Receivable	10,938
Due From Other Sources	<u>1,050</u>
Total Assets	<u>\$ 3,785,640</u>
LIABILITIES:	
Accounts and Accrued Payables	\$ <u>0</u>
Total Liabilities	<u>0</u>
FUND BALANCE:	
Non-spendable	0
Restricted	0
Committed	0
Assigned	3,785,640
Unassigned	<u>0</u>
Total Fund Balance	<u>3,785,640</u>
Total Liabilities and Fund Balance	3,785,640
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 \$ 5,165,882 and the accumulated depreciation is \$ 59,366	5,106,516
Bond discounts and pre-issuance costs are not financial resources and therefore are not reported in the funds.	34,969
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>(4,012,616)</u>
Net Position of Governmental Funds	<u>\$ 4,914,509</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, 2022

	<u>Total Governmental Funds</u>
REVENUE:	
Tax Levy Revenue	\$ 2,116,188
Rent Revenue	36,000
Refunds and Reimbursements	1,920
Interest Income	<u>18,534</u>
 Total Revenue	 <u>2,172,642</u>
EXPENDITURES:	
Office Expense	17
Professional Fees	91,356
Advertising and Publications	55
Insurance	
Administration	27,453
Repairs	0
Reimburse Ketchum City - General	0
Reimburse Ketchum City - In Lieu Housing	0
Capital Projects	351,438
Debt service	<u>519,436</u>
 Total Expenditures	 <u>989,755</u>
EXCESS REVENUE (EXPENDITURES)	1,182,887
 FUND BALANCE - BEGINNING	 <u>2,602,753</u>
 FUND BALANCE - ENDING	 <u>\$ 3,785,640</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, 2022

Net Change in Fund Balance - Total Governmental Funds (Page 6)	\$ 1,182,887
<p>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.</p>	
This is the amount of current year depreciaton.	(15,886)
This is the amount of current year amortization.	(3,858)
This is the amount of new Governmental Fund assets.	0
<p>Long term liabilities are not recorded in the Governmental funds.</p>	
This is the change in accrued interest on the outstanding debt.	319
This is the amount of current year payments of long term debt	<u>442,414</u>
Change in Net Position of Governmental Activities (Page 4)	<u>\$ 1,605,876</u>

The accompanying notes are a part of these financial statements.

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022**

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, 2022**

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 \$ 0 of deposits were exposed to custodial credit risk.

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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 \$ 3,728,005.

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		45,647
State of Idaho Investment Pool		<u>3,372,005</u>
Total		<u>\$3,773,652</u>

4. RESTRICTED ASSETS

In fiscal year ended September 30, 2007, the URA purchased real property formerly known as the Dollhouse located at 1st & Washington 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, 2022**

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.

Accordingly, \$1,261,687 of the value of the 1st & Washington property continues to be restricted to future affordable housing purposes. In 2016 the Agency has determined to pay this amount back to the City of Ketchum 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 \$234,143 in cash and offset by investments in affordable housing projects an additional \$1,068,972. This leaves the restricted amount at \$ 195,514.

5. GENERAL FIXED ASSETS

Capital asset activity for the year ended September 30, 2022, 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	397,136						397,136
Total	<u>397,136</u>		<u>0</u>		<u>0</u>		<u>397,136</u>
Less: Accumulated Depreciation:	43,480		15,886				59,366
Total Net Depreciated Assets	<u>353,656</u>		<u>(15,886)</u>		<u>0</u>		<u>337,770</u>
Governmental capital assets, net	<u>\$ 5,122,402</u>	\$	<u>(15,886)</u>	\$	<u>0</u>	\$	<u>5,106,516</u>

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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, 2022, is as follows:

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Balance</u>
Tax Increment Refunding Bonds, Series 2021:	1.73%	2023-2030	\$ 4,009,726

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

2023	\$		472,588	
2024			481,014	
2025			488,835	
2026			495,067	
2027			505,612	
2028-2030			<u>1,566,610</u>	
	\$		<u>4,009,726</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, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES:			
Property taxes - Tax Increment Revenues	\$ 1,752,500	\$ 2,116,188	\$ 363,688
Rent Revenue	36,000	36,000	0
Refunds and Reimbursements	0	1,920	1,920
Earnings on investments	0	18,534	18,534
	<u>1,788,500</u>	<u>2,172,642</u>	<u>384,142</u>
Total revenues			
EXPENDITURES:			
Office Expense	500	17	483
Professional Fees	66,000	91,356	(25,356)
Advertising/Publications	1,000	55	945
Insurance	3,074	0	3,074
Administrative Expenses	39,647	27,453	12,194
Debt Service	378,978	519,436	(140,458)
Reimburse Ketchum City - General Expense	90,184	0	90,184
Reimburse Ketchum City - In Lieu Housing	0	0	0
Capital Outlay	2,288,000	351,438	1,936,562
	<u>2,867,383</u>	<u>989,755</u>	<u>1,877,628</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,078,883)</u>	<u>1,182,887</u>	<u>2,261,770</u>
NET CHANGE IN FUND BALANCE	(1,078,883)	1,182,887	\$ <u><u>2,261,770</u></u>
FUND BALANCE - BEGINNING	<u>2,602,753</u>	<u>2,602,753</u>	
FUND BALANCE - ENDING	<u>\$ 1,523,870</u>	<u>\$ 3,785,640</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, 2022

Annual Payment			
Interest Rate	Fiscal Year	Principal Payment	Interest Payment
\$4,815,959 Tax Increment Refunding Bonds, Series 2021 1.73%			
1.73%	2023	\$ 472,588	\$ 69,368
1.73%	2024	481,014	61,192
1.73%	2025	488,835	52,871
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
		\$ 4,009,726	\$ 318,276

The accompanying notes are a part of these financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

November 4, 2022

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, 2022, 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 November 4, 2022.

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



Fiscal Year 2021-22 Adopted Budget

Chairman: *Ed Johnson*

Vice-Chair: Casey Dove

Commissioners: *Amanda Breen, Casey Burke,
Jim Slanetz, Carson Palmer, Susan Scovell*

Executive Director: *Suzanne Frick*

Treasurer: *Shellie Rubel*

Secretary: *Tara Fenwick*



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 subsequently adopted by the City Council on April 3, 2006. Finally, 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 2021-22 Highlights

Summary: The objective of the Ketchum Urban Renewal Agency Fund is to support the projects to be undertaken during the fiscal year and to provide budget authority to make required principal and interest payments on the 2010 Urban Renewal Bonds.

For Fiscal Year 2021-22, the KURA will increase its focus on infrastructure while maintaining a commitment to economic development, its enacted owner participation agreements, and reimbursement of In-Lieu Housing funds.



Ketchum Urban Renewal Agency Fund

FY 2021-22 Highlights

Capital:	\$ 2,000,000
Owner Participation Agreements	\$ 236,000
Economic Development	\$ 25,000



FY 21/22 Proposed Revenue and Expenditures

		2019	9/30/2019	2020	9/30/2020	2021	2022
		Budget	Actuals	Budget	Actuals	Budget	Budget Proposed
Revenue							
98-3100-1000	TAX INCREMENT REVENUE	\$ 1,437,890	\$ 1,639,850	\$ 1,481,027	\$ 1,746,178	\$ 1,650,000	\$ 1,750,000
98-3100-1050	PROPERTY TAX REPLACEMENT	\$ -	\$ 13,627	\$ -	\$ 13,627	\$ -	\$ -
98-3100-9000	PENALTY & INTEREST ON TAXES	\$ 1,000	\$ 2,899	\$ 2,500	\$ 2,693	\$ 2,500	\$ 2,500
98-3700-____	OTHER REVENUE	\$ 50,000	\$ 59,864	\$ 38,500	\$ 54,022	\$ 38,500	\$ 36,000
98-3800-9__	FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 520,000	\$ 1,078,883
	Total	\$ 1,488,890	\$ 1,716,239	\$ 1,522,027	\$ 1,816,520	\$ 2,211,000	\$ 2,867,383
Expenditure							
98-4410-3100	OFFICE SUPPLIES & POSTAGE	\$ 500	\$ 128	\$ 500	\$ 53	\$ 500	\$ 500
98-4410-4200	PROFESSIONAL SERVICES	\$ 56,000	\$ 62,804	\$ 56,000	\$ 58,241	\$ 56,000	\$ 66,000
98-4410-4400	ADVERTISING & LEGAL PUBLICATIO	\$ 1,000	\$ 398	\$ 1,000	\$ 456	\$ 1,000	\$ 1,000
98-4410-4600	LIABILITY INSURANCE	\$ 2,740	\$ 2,734	\$ 2,740	\$ 2,789	\$ 2,928	\$ 3,074
98-4410-4800	DUES, SUBSCRIPTIONS, & MEMBERS	\$ -	\$ 1,402	\$ -	\$ 1,550	\$ 1,500	\$ 2,600
98-4410-4900	PERSONNEL TRAINING/TRAVEL/MTG	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ 2,000
98-4410-5000	ADMINISTRATIVE EXPNS-CITY GEN	\$ 31,911	\$ 31,911	\$ 32,868	\$ 32,868	\$ 32,869	\$ 34,547
98-4410-6100	REPAIR & MAINT--MACHINERY & EQ	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
98-4410-8801	REIMBURSE CITY GENERAL FUND	\$ 105,394	\$ 105,394	\$ 108,556	\$ 87,048	\$ 84,001	\$ 75,184
98-4410-8852	REIMBURSE IN-LIEU HOUSING FUND	\$ 90,000	\$ -	\$ 100,000	\$ -	\$ 90,000	\$ -
98-4410-9930	URA FUND OP. CONTINGENCY	\$ 124,290	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 15,000
	Sub Total	\$ 413,835	\$ 204,771	\$ 328,664	\$ 183,005	\$ 295,798	\$ 200,405
Capital Improvements							
98-4410-7100	INFRASTRUCTURE PROJECTS	\$ 400,000	\$ 296,773	\$ 485,758	\$ 13,545	\$ 1,196,147	\$ 2,000,000
98-4410-7101	LIMELIGHT OPA	\$ 150,000	\$ 134,924	\$ 150,000	\$ 140,670	\$ 150,000	\$ 150,000
98-4410-7102	AUBERGE OPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98-4410-7103	MISCELLANEOUS OPA	\$ 40,000	\$ -	\$ 10,000	\$ 14,052	\$ 10,000	\$ 14,000
98-4410-7104	COMMUNITY LIBRARY OPA	\$ -	\$ 263,180	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
98-4410-7110	ECONOMIC DEVELOPMENT PROJECTS	\$ 25,000	\$ 7,500	\$ 25,000	\$ 32,500	\$ 25,000	\$ 35,000
98-4410-7112	311 FIRST (WILSON)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000
98-4410-7900	DEPRECIATION EXPENSE	\$ -	\$ 5,855	\$ -	\$ 15,885	\$ -	\$ 16,000
98-4410-7950	AMORTIZATION COSTS	\$ -	\$ 10,188	\$ -	\$ 10,188	\$ -	\$ 11,000
	Sub Total	\$ 615,000	\$ 718,420	\$ 720,758	\$ 276,840	\$ 1,431,147	\$ 2,288,000
Debt Service							
98-4800-4200	PROF. SERVICES-PAYING AGENT	\$ 1,600	\$ 1,750	\$ 1,600	\$ 1,750	\$ 1,600	\$ -
98-4800-8100	DEBT SERVICE ACCT PRIN-2010	\$ 160,000	\$ 160,000	\$ 180,000	\$ 180,000	\$ 200,000	\$ -
98-4800-8200	BOND DEBT SRVCE RESRV-INT EXP	\$ -	\$ (3,117)	\$ -	\$ (3,712)	\$ -	\$ -
98-4800-8300	DEBT SRVC ACCT INTRST-2010	\$ 298,455	\$ 297,739	\$ 291,005	\$ 281,081	\$ 282,455	\$ -
98-4800-8400	DEBT SERVICE ACCT PRIN-2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
98-4800-8500	DEBT SRVC ACCT INTRST-2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,978
	Sub Total	\$ 460,055	\$ 456,372	\$ 472,605	\$ 459,120	\$ 484,055	\$ 378,978
Total Expenditures		\$ 1,488,890	\$ 1,379,563	\$ 1,522,027	\$ 918,964	\$ 2,211,000	\$ 2,867,383

Materials and Services Detail FY 21/22



Description	FY 19/20 Budget	FY 20/21 Budget	FY 21/22 Budget
Professional Services	\$ 56,000	\$ 56,000	\$ 66,000
Attorney	\$ 40,000		
Auditor	\$ 2,000		
SVED	\$ 15,000		
Misc. Services	\$ 9,000		
Dues, Subscriptions, Memberships	\$ 1,500	\$ 1,500	\$ 2,600
Redevelopment Association of Idaho	\$ 2,600		
Personnel Training / Travel / Meetings	\$ 2,000	\$ 2,000	\$ 2,000
Meetings	\$ 2,000		

Capital Outlay FY 21/22



Description	FY 19/20 Budget	FY 20/21 Budget	FY 21/22 Budget
Infrastructure Projects:	\$ 485,758	\$ 1,196,147	\$ 2,000,000
Economic Development Projects:	\$25,000	\$ 25,000	\$ 25,000

Staffing Analysis FY 21/22



Position	FY 19/20 Budget	FY 20/21 Budget	FY 21/22 Budget
Chairman	1	1	1
Vice-Chair	1	1	1
Commissioners	5	5	5
Executive Director	0.10	0.10	0.25
Planning & Building Director	0.25	0.25	0
Treasurer	0.10	0.10	0.10
Secretary	0.10	0.10	0.10
AP & Payroll	0.05	0.05	0.05
Janitors(2)	0.00	0.00	0
Building Maintenance	0.00	0.00	0
TOTAL	7.6	7.6	7.5

CITY OF KETCHUM
 BALANCE SHEET
 SEPTEMBER 30, 2022

URBAN RENEWAL AGENCY

ASSETS

98-1000-0000	CASH - COMBINED	11,316.06	
98-1010-0000	URBAN RENEWAL FUND CASH	34,330.46	
98-1050-0000	TAXES RECEIVABLE-CURRENT	10,938.29	
98-1150-0000	ACCTS RECVBL	1,050.00	
98-1510-0000	INVESTMENTS-URA GF #2987	3,371,255.14	
98-1510-1000	INVESTMENTS-URA DEBT #3243	356,750.02	
98-1514-0000	UNAMORTZED PRE-ISSUANCE BND CT	34,968.84	
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	INFASTRUCTURE IMPROVEMENTS	397,135.87	
98-1630-0000	ACCUM DEPRN-BUILDINGS	(59,365.81)	
	TOTAL ASSETS		<u>8,927,124.43</u>

LIABILITIES AND EQUITY

LIABILITIES

98-2300-0000	ACCRUED INTEREST PAYABLE	2,890.34	
98-2340-0000	REFUNDING BONDS PAYABLE 2021	4,009,726.11	
	TOTAL LIABILITIES		4,012,616.45

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
98-2710-0000	FUND BALANCE	3,308,631.86	
	REVENUE OVER EXPENDITURES - YTD	1,605,876.12	
	BALANCE - CURRENT DATE	4,914,507.98	
	TOTAL FUND EQUITY		<u>4,914,507.98</u>
	TOTAL LIABILITIES AND EQUITY		<u>8,927,124.43</u>

CITY OF KETCHUM
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2022

URBAN RENEWAL AGENCY

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>PROPERTY TAX</u>						
98-3100-1000	TAX INCREMENT REVENUE	(4,026.94)	2,094,919.12	1,750,000.00	(344,919.12)	119.7
98-3100-1050	PROPERTY TAX REPLACEMENT	.00	13,626.56	.00	(13,626.56)	.0
98-3100-9000	PENALTY & INTEREST ON TAXES	.00	7,641.80	2,500.00	(5,141.80)	305.7
	TOTAL PROPERTY TAX	(4,026.94)	2,116,187.48	1,752,500.00	(363,687.48)	120.8
<u>MISCELLANEOUS REVENUE</u>						
98-3700-1000	INTEREST EARNINGS	.00	16,696.69	.00	(16,696.69)	.0
98-3700-1010	INTEREST EARNINGS-URA DEBT	.00	1,837.46	.00	(1,837.46)	.0
98-3700-2000	RENT	.00	36,000.00	36,000.00	.00	100.0
98-3700-3600	REFUNDS & REIMBURSEMENTS	.00	1,920.00	.00	(1,920.00)	.0
	TOTAL MISCELLANEOUS REVENUE	.00	56,454.15	36,000.00	(20,454.15)	156.8
<u>FUND BALANCE</u>						
98-3800-9000	FUND BALANCE	.00	.00	1,078,883.00	1,078,883.00	.0
	TOTAL FUND BALANCE	.00	.00	1,078,883.00	1,078,883.00	.0
	TOTAL FUND REVENUE	(4,026.94)	2,172,641.63	2,867,383.00	694,741.37	75.8

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2022

URBAN RENEWAL AGENCY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>URBAN RENEWAL EXPENDITURES</u>					
MATERIALS AND SERVICES:					
98-4410-3100	.00	17.25	500.00	482.75	3.5
98-4410-4200	.00	91,355.10	66,000.00	(25,355.10)	138.4
98-4410-4400	.00	54.74	1,000.00	945.26	5.5
98-4410-4600	.00	.00	3,074.00	3,074.00	.0
98-4410-4800	.00	2,600.00	2,600.00	.00	100.0
98-4410-4900	.00	493.98	2,000.00	1,506.02	24.7
98-4410-5000	.00	24,215.73	34,547.00	10,331.27	70.1
98-4410-6100	.00	.00	500.00	500.00	.0
	.00	118,736.80	110,221.00	(8,515.80)	107.7
TOTAL MATERIAL AND SERVICES					
CAPITAL OUTLAY:					
98-4410-7100	.00	276,997.97	2,000,000.00	1,723,002.03	13.9
98-4410-7101	.00	.00	150,000.00	150,000.00	.0
98-4410-7103	.00	22,125.56	14,000.00	(8,125.56)	158.0
98-4410-7104	.00	50,000.00	50,000.00	.00	100.0
98-4410-7105	.00	2,314.65	.00	(2,314.65)	.0
98-4410-7110	.00	.00	35,000.00	35,000.00	.0
98-4410-7112	.00	.00	12,000.00	12,000.00	.0
98-4410-7900	15,885.43	15,885.43	16,000.00	114.57	99.3
98-4410-7950	3,858.30	3,858.30	11,000.00	7,141.70	35.1
	19,743.73	371,181.91	2,288,000.00	1,916,818.09	16.2
TOTAL CAPITAL OUTLAY					
OTHER EXPENDITURES:					
98-4410-8801	.00	.00	75,184.00	75,184.00	.0
98-4410-8852	.00	143.43	.00	(143.43)	.0
98-4410-9930	.00	.00	15,000.00	15,000.00	.0
	.00	143.43	90,184.00	90,040.57	.2
TOTAL OTHER EXPENDITURES					
	19,743.73	490,062.14	2,488,405.00	1,998,342.86	19.7
TOTAL URBAN RENEWAL EXPENDITURES					

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2022

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	(442,414.05)	.00	240,000.00	240,000.00	.0
98-4800-8450 DEBT SRVC ACCT INTRST-2021	(318.66)	76,703.37	138,978.00	62,274.63	55.2
TOTAL OTHER EXPENDITURES	(442,732.71)	76,703.37	378,978.00	302,274.63	20.2
TOTAL URA DEBT SERVICE EXPENDITURES	(442,732.71)	76,703.37	378,978.00	302,274.63	20.2
TOTAL FUND EXPENDITURES	(422,988.98)	566,765.51	2,867,383.00	2,300,617.49	19.8
NET REVENUE OVER EXPENDITURES	418,962.04	1,605,876.12	.00	(1,605,876.12)	.0
	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT

Exhibit B

PUBLIC NOTICE

As required by Idaho Code Section 50-2006(5)(c), the Ketchum Urban Renewal Agency has filed a report of its 2022 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/finance>.

If you have any questions, please contact Suzanne Frick at (208) 727-5086 or sfrick@ketchumidaho.org.

Publish: March 29, 2023.



Ketchum Urban Renewal Agency

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

March 27, 2023

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO PROVIDE DIRECTION TO STAFF ON SERIES 2021 BOND ACTION RELATED TO THE FIRST AND WASHINGTON PROJECT

Introduction/History

Tax exempt bonds were used by the KURA to purchase the “Dollhouse Property” which is the southern two lots of the First and Washington site. In 2021, the KURA refunded the original tax exempt bonds used to purchase the property by issuing new tax exempt bonds, known as the Series 2021 Bonds.

For the bonds to qualify as tax exempt bonds, Resolution No. 21-URA01 adopted by the KURA Board on June 21, 2021, and the Tax Certificate of KURA dated July 23, 2021, KURA agreed to not allow more than ten percent (10.00%) of the proceeds of the Series 2021 Bonds to be used directly or indirectly to benefit private businesses or individuals (“Private Business Use”). KURA certified the 1st and Washington Property would remain as a public parking lot, or other public use, through the term of the Series 2021 Bonds.

The proposed development of the property, even to a non-profit organization, may cause the tax-exempt Series 2021 Bonds to be deemed taxable by the Internal Revenue Service (IRS). Bond counsel has prepared an evaluation of the issue which is summarized in Attachment A.

Analysis

Attachment A identifies two options for Board consideration and direction to address the issue related to the tax-exempt bonds. The options consist of:

Option 1: KURA would pursue, with bond counsel’s assistance, scheduling a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing to be held by the City Council, followed by adoption of a resolution by the City approving the use of the 1st and Washington Property for the Affordable Workforce Housing Project. Bond Counsel would then prepare and file a Form 8039 with the IRS evidencing KURA’s election to

treat a portion of the Series 2021 Bonds as “qualified 501(c)(3) bonds.” KURA would also be expected to approve a resolution issuing the qualified 501(c)(3) bonds.

Option 2: KURA would expend significant capital to pay down a portion of the Series 2021 Bonds and would also likely require significantly more in legal fees for bond counsel assistance.

Staff is seeking Board direction on the option to pursue. Execution of the option would not occur until all the project commitments are in place for redevelopment of the First and Washington property.

Recommendation and Motion

Staff recommends the Board provide direction on the preferred option and adopt the following motion:

“I move to direct staff to implement Option __ once the project commitments are place for redevelopment of the First Street and Washington Avenue project.”

Attachment A: March 20, 2023 Staff Narrative for Series 2021 Bonds

Attachment A

Subject: Staff Report Narrative for Series 2021 Bonds
Date: March 20, 2023

Back in 2007 KURA issued its Revenue Allocation Notes, Series 2007C (“Series 2007C Bonds”) to finance the purchase of a portion of the 1st and Washington Property, which was commonly referred to as the “Dollhouse Property.” Prior to this purchase, the City of Ketchum (“City”) obtained the other portion of the 1st and Washington Property. Sometime later the City conveyed the remaining portion of the 1st and Washington parcel to KURA. The entire 1st and Washington Property, including the purchased Dollhouse Property, and the portion conveyed to KURA by the City, have been used as a public parking lot. In 2010, KURA issued its tax-exempt Revenue Allocation (Tax Increment) Refunding Bonds, Series 2010 (“Series 2010 Bonds”), which in part, refinanced the Series 2007C Bonds. On July 23, 2021, KURA issued its tax-exempt Revenue Allocation Refunding Bond, Series 2021 (“Series 2021 Bonds”) to refund its Series 2010 Bonds.

Pursuant to Section 16.0 of KURA’s Bond Resolution No. 21-URA01 adopted by the KURA Board on June 21, 2021, and the Tax Certificate of KURA dated July 23, 2021, KURA agreed to not allow more than ten percent (10.00%) of the proceeds of the Series 2021 Bonds to be used directly or indirectly to benefit private businesses or individuals (“Private Business Use”). In brief, KURA certified the 1st and Washington Property would remain as a public parking lot, or other public use, through the term of the Series 2021 Bonds.

KURA bond and tax counsel has concluded, leasing the 1st and Washington Property to the Wood River Community Housing Trust (“WRCHT”) will likely result in Private Business Use which would exceed the 10.00% allowable limit under the Tax Certificate and the KURA Bond Resolution, even though the 1st and Washington Property is being leased at a “zero sum” (\$50 for 50 years) to a non-profit organization. This exceedance of the 10.00% limit of Private Business Use may cause the tax-exempt Series 2021 Bonds to be deemed taxable by the Internal Revenue Service (“IRS”). The Series 2021 Bonds were issued by KURA as governmental bonds because the refinanced projects related to these Series 2021 Bonds were not used or owned by a 501(c)(3) organization (with the exception of a portion of the Town Square Building occupied by Sun Valley Marketing Alliance, Inc. dba Visit Sun Valley). The Series 2021 Bonds were issued to refinance primarily traditional public infrastructure improvements.

As explained by KURA bond and tax counsel, KURA has essentially two (2) options to avoid the Series 2021 Bonds being deemed taxable by the IRS:

- 1) Elect to treat the Series 2021 Bonds as “qualified 501(c)(3) bonds” pursuant to Section 131(b)(i) of the Internal Revenue Code of 1986, as amended, (“Code”) through a process known as remedial action.
- 2) Partially or fully redeem the Series 2021 Bonds with available funds or proceeds of refunding bonds. This would require using KURA’s cash on hand to pay

approximately 35.6% of the outstanding balance of the bonds related to the 1st and Washington Property. A formal calculation of the monetary amount would need to be conducted if this option were to be pursued.

Bond and tax counsel recommend Option 1, the remedial action. The Option 1 process is simple and cost effective. Under this option, KURA can elect to treat the portion of the Series 2021 Bonds that refinanced the 1st and Washington Property as “qualifying 501(c)(3) bonds” due to the nature of the 1st and Washington Property ultimately being leased to WRCHT. By selecting this Option 1, KURA’s lease of the 1st and Washington Property to WRCHT as a 501(c)(3), will not trigger the Private Business Use, or otherwise modify the terms of the Series 2021 Bonds, and KURA will remain in compliance with the covenants of the Bond Resolution and the Tax Certificate.

The process for this remedial action of Option 1 is that KURA will need to pursue, with bond counsel’s assistance, scheduling a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing to be held by the City Council, followed by adoption of a resolution by the City approving the use of the 1st and Washington Property for the Affordable Workforce Housing Project. Bond Counsel would then prepare and file a Form 8039 with the IRS evidencing KURA’s election to treat a portion of the Series 2021 Bonds as “qualified 501(c)(3) bonds.” KURA would also be expected to approve a resolution issuing the qualified 501(c)(3) bonds.

Option 2 would require KURA expending significant capital to pay down a portion of the Series 2021 Bonds and would also likely require significantly more in legal fees for bond counsel assistance.

Should KURA elect to pursue Option 1, bond and tax counsel will be advised of KURA’s selection and will begin the process of outlining next steps.