



KETCHUM URBAN RENEWAL AGENCY

**Monday, April 18, 2022 at 2:00 PM
191 5th Street West, Ketchum, Idaho 83340**

AMENDED AGENDA

PUBLIC PARTICIPATION INFORMATION

Public information on this meeting is posted outside City Hall.

We welcome you to watch Council Meetings via live stream.

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

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

1. Join us via Zoom (*please mute your device until called upon*).
Join the Webinar: <https://ketchumidaho-org.zoom.us/j/88127630127>
Webinar ID: 881 2763 0127
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:

COMMUNICATIONS FROM THE PUBLIC:

1. Public Comment #1

CONSENT CALENDAR: (ALL ACTION ITEMS)

2. ACTION: Approval of Bills.
3. ACTION: Approval of Meeting Minutes.

DISCUSSION ITEMS:

4. Presentation by Agnew Beck on progress of 1st and Washington scope of work to include summary of community input, RFP information, and proforma basics and direction to staff on property ownership options.



ACTION ITEMS:

5. ACTION ITEM: Receive public comment on the 2021 KURA Annual report and recommendation to adopt Resolution 22-URA06 approving the 2021 KURA Annual Report.
6. ACTION ITEM: Recommendation to authorize the Chair to sign the April 18, 2022, KURA funding commitment letter for the Bluebird Housing project.

EXECUTIVE SESSION:

7. ACTION ITEM: Pursuant to Idaho Code Section 74-206(1)(f) to communicate with legal counsel for the Agency to discuss legal ramifications for pending litigation or controversies not yet being litigate but imminently likely to be litigate and Idaho Code Section 74-206(1)(d) to consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code.

ADJOURNMENT:

From: [Participate](#)
To: [Tara Fenwick](#)
Subject: FW: Public Comment/ OBJECTION TO PROPOSED 1st and Washington development project
Date: Monday, April 18, 2022 12:37:07 PM

FYI for KURA packet public comment

SUZANNE FRICK | CITY OF KETCHUM

PLANNING AND BUILDING | KURA DIRECTOR

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

o: 208.727.5086 | m: 208.721.2765

sfrick@ketchumidaho.org | www.ketchumidaho.org

From: James Hungelmann <jim.hungelmann@gmail.com>
Sent: Sunday, April 17, 2022 10:09 PM
To: Participate <participate@ketchumidaho.org>; Amanda Breen <ABreen@ketchumidaho.org>; Jim Slanetz <jslanetz@ketchumidaho.org>; Suzanne Frick <sfrick@ketchumidaho.org>
Subject: Public Comment/ OBJECTION TO PROPOSED 1st and Washington development project

Date April 17, 2022

To Susan Scovell, Chair, and Board and Staff, Ketchum Urban Renewal Agency

Re **Public Comment/** KURA Meeting April 18, 2022

**Agenda Discussion Item 3 -
OBJECTION TO PROPOSED 1st and Washington development project**

Dear Madam Chairperson, Board and staff members:

I hereby object to this project in its entirety as blatantly illegal, because as a matter of fact and law, there are no “deteriorated or deteriorating conditions” at 1st and Washington that Idaho law requires for an Urban Renewal Agency to be empowered to address.

Applicable Idaho Law provides as follows –

IC 50-2005. FINDING OF NECESSITY BY LOCAL GOVERNING BODY. No urban renewal agency and no municipality shall exercise the authority hereafter conferred by this act until after the local governing body shall have adopted a **resolution finding that: (1) one or more deteriorated or deteriorating areas as defined in this act exist in such municipality; (2) the rehabilitation, conservation, redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such municipality; and (3) there is need for an urban renewal agency to function in the municipality.**

IC 50-2018. DEFINITIONS. The following terms wherever used or referred to in this chapter, shall have the following meanings, unless a different meaning is clearly indicated by the context:

(8) "Deteriorated area" shall mean an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

(9) "Deteriorating area" shall mean an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use;

(10) "Urban renewal project" may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan.

This proposed 1st and Washington affordable housing project is sought by KURA to further the Master Goals of the Ketchum Urban Renewal Plan as revised, dated November 15, 2010, and specifically,

“c. The revitalization, redesign and development **of undeveloped areas which are stagnant or improperly utilized** especially through the creation of affordable workforce housing, a central town plaza and parking lots and structure”

However, it is a wild concoction to suggest, considering its history, that 1st and Washington can be deemed “stagnant” or “improperly utilized”. *More importantly, the fact that a property may be considered by some to be stagnant or improperly utilized, with a “higher and better use” than current conditions, is legally irrelevant.* As a matter of law, the URA vehicle is not available for do-gooder projects or social engineering of any type. Again, the conditions must be *deteriorated or deteriorating* as those terms are precisely defined in the law to empower an Urban Renewal Agency to become involved.

Ketchum City Council and KURA itself have grand plans to involve themselves in solutions to what they consider to be affordable housing crisis, but unless conditions are dire and dangerous, blight and slum ridden, URA may not be used as a vehicle. Close inspection of the subject property at 1st and Washington fails to find a shred of evidence supporting a claim of deteriorating or deterioration.

As public fiduciaries, agencies of city government must model for the citizenry respectful compliance with the law that requires that KURA immediately cease and desist on this project.

Please forward this objection to Agnew Beck which must be advised of the illegality.

To be clear, if KURA proceeds as it proposes, Ketchum City can expect burdensome and costly litigation with Lis Pendens lien against the property, together with deep public resentment for a wildly inappropriate, ill-conceived, illegal and failed project.

If KURA has written legal advice suggesting this project somehow would comply with law, I ask for immediate public disclosure of it and opportunity to dialogue before any further action is taken.

Thank you,

Jim Hungelmann

Ketchum

Report Criteria:

Invoices with totals above \$0 included.
 Only unpaid invoices included.
 [Report].GL Account Number = "9610000000"- "9848009999"

Vendor Name	Invoice Number	Description	Net Invoice Amount
URBAN RENEWAL AGENCY			
URBAN RENEWAL EXPENDITURES			
98-4410-3100 OFFICE SUPPLIES & POSTAGE			
COPY & PRINT, L.L.C.	121324	Name Plate- SUSAN SCOVELL	17.25
98-4410-4200 PROFESSIONAL SERVICES			
SUN VALLEY ECONOMIC DEVEL	1331	KURA QRTLY CONTRACT FOR SERVICES	3,750.00
AGNEW BECK CONSULTING INC	10205	COMMUNITY STAKEHOLDERS	4,383.75
Total URBAN RENEWAL EXPENDITURES:			8,151.00
Total URBAN RENEWAL AGENCY:			8,151.00
Grand Totals:			8,151.00

KUKA

Copy & Print LLC

PO Box 2218
314 S River St
Hailey, ID 83333



Invoice

Date	Invoice #
2/15/2022	121324

Bill To
City of Ketchum PO Box 2315 Ketchum, ID 83340

P.O. No.	Terms
	Net 10th

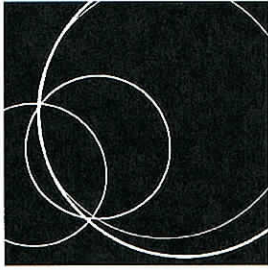
Quantity	Item	Rate	Amount
1	Name plate Susan Scovell #633	17.25	17.25T

98-4410-3100
[Handwritten signature]

Thank you for your business.

Total

\$17.25



**AGNEW
::BECK**

Agnew::Beck Consulting, Inc.
PO Box 410
Palmer, AK 99645

Invoice

Date	Invoice #
3/9/2022	10205

Bill To
Ketchum Urban Renewal Agency P.O. Box 2315 Ketchum, ID 83340

Terms	Project
Net 30	Community Stakehol...

Description	Contract Amt	Prior Amt	Total %	Amount
Task 1. Project Initiation	3,980.00	1,053.75	83.07%	2,252.50
Task 2. Project Research and Preliminary Findings	10,440.00		16.39%	1,711.25
Task 3. Conduct Additional Community Outreach	8,700.00		4.83%	420.00
Task 4. Summarize and Synthesize Community Preferences	4,180.00		0.00%	0.00
Expenses	1,750.00		0.00%	0.00
Contract Dates: 11/15/2021 - 6/15/2022				
For work completed 2/1/2022 - 2/28/2022				
Budget amount remaining after this invoice: \$23,612.50				
	\$29,050.00	\$1,053.75		

98-4410-4200
[Handwritten signature]

Total	\$4,383.75
Payments/Credits	\$0.00
Balance Due	\$4,383.75

Engage, Plan, Implement.

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

Invoice



**SUN VALLEY
ECONOMIC
DEVELOPMENT**

BILL TO

Shellie Rubel
Ketchum Urban Renewal Agency
City of Ketchum

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1331	01/01/2022	\$3,750.00	01/31/2022	Net 30	

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

98-4410-4200



Special Meeting Minutes

Monday, April 4, 2022

2:00 PM

Ketchum City Hall

CALL TO ORDER:

Chair, Susan Scovell called the meeting to order at 2:02 p.m. (*Video 00:00:20*)

ROLL CALL:

Present

Chair, Susan Scovell

Commissioner, Gary Lipton

Commissioner, Amanda Breen

Commissioner, Jim Slanetz

Vice-Chair, Casey Dove (*absent*)

Commissioner, Casey Burke (*absent*)

Other Attendees:

Executive Director, Suzanne Frick

City Administrator, Jade Riley

Senior Planner, Morgan Landers

Housing Strategist, Carissa Connelly

Secretary, Tara Fenwick

KURA Counsel, Ryan Armbruster (*via Zoom*)

KURA Counsel, Abbey Germaine (*via Zoom*)

Gregory Dunfield - GMD Development

Charles Friedman – Ketchum Community Development Corporation

BOARD COMMUNICATIONS:

- Gary Lipton – provided comments on Housing in-lieu fees and various city requests for URA funding and disbursement of funds when needed.

Public Comment:

- None



ACTION ITEMS: *(Video 00:03:50)*

Motion to approve minutes of 3/21/22. Board Member, Amanda Breen, presented the motion, Board Member, Jim Slanetz seconded the motion. The motion passed. All in favor.

DISCUSSION ITEMS: *(Video 00:04:25)*

Gregory Dunfield, GMD Development shared a presentation detailing cost increases for Bluebird Village with the Board.

The Board and Gregory Dunfield discussed the issues and City of Ketchum staff answered questions posed.

Upon advice of counsel, the Board provided direction to staff.

ADJOURNMENT: *(Video 01:11:15)*

Motion to adjourn. Chair, Amanda Breen presented the motion, Board Member, Susan Scovell seconded the motion. The motion passed. All in favor.

Susan Scovell, Chair

ATTEST:

Tara Fenwick, Secretary

KURA 1st and Washington Stakeholder Engagement

Board Meeting – AGENDA + MEETING PACKET

Ketchum Urban Renewal Agency Commission Board

April 18, 2022 | 2:00pm | Community Meeting Room, Ketchum City Hall and virtually by Zoom

Project Objectives:

Goal 1. Provide local, affordable workforce housing downtown, particularly for professionals and those essential to a strong, diverse downtown economy.

Goal 2. Provide structured public parking in anticipation of long-term downtown growth and development.

Goal 3. Provide active ground floor opportunities to maintain vibrancy of downtown.

AGENDA ITEMS

1. Today (A::B – Ellen)

- Quick overview of schedule and process

Packet section A
Pages 2-3

2. Community Input (A::B – Aaron)

- Website and public comment form – *public comment submitted*
- Update on key informant interviews – *interviews conducted, key takeaways*
- Community Workshop Feedback – *preliminary summary will be provided at meeting*
- Next Steps and Final Summary – *May 9*

Packet Sections B, C
Pages 4-6

Updated in this version

3. RFP Development (KURA/E&B/A::B – Shanna)

- Pro Forma Basics – *brief overview of how developers typically think about project financing, presentation will be provided at meeting*
- Ownership Options – *overview of two options*
- Proposed Timeline and RFP Elements

Packet Sections D, E
Pages 7-8

4. Recap and Public Comment

- Next steps
- Public comment and feedback

A. KURA Schedule and Work Sessions

Project Schedule

JAN	FEB	MAR	APR	MAY
“Kick-Off”	“Project Profile”	“Site Context”	“Community Input”	“Key Findings/ Next Steps”
<ul style="list-style-type: none"> Initial Project Kick-Off with KURA Commissioners 	<ul style="list-style-type: none"> Housing Subcommittee Meeting Updated schedule and work plan KURA Commissioners Work Session #1 and Public Comment Site Conditions Outline and Research RFP Examples 	<ul style="list-style-type: none"> Housing Subcommittee Meeting Webpage launch and updates Key Informant Interviews Site Conditions Profile Community Workshop Planning KURA Commissioners Work Session #2 and Public Comment 	<ul style="list-style-type: none"> Housing Subcommittee Meeting Community Workshop Community Workshop Feedback Pro Forma Basics Draft RFP Background language KURA Commissioners Work Session #3 and Public Comment 	<ul style="list-style-type: none"> Housing Subcommittee Meeting <i>(if needed, conducted by KURA staff)</i> Draft and Final Key Findings Summary and RFP Background language KURA Commissioners Work Session #4 and Public Comment <i>(conducted by KURA staff)</i>

Work Sessions with KURA Board

**Work Session #1:
Project Profile**
FEBRUARY

Review revised scope and schedule, based on Subcommittee feedback

Stakeholder Identification

Project "Must Haves" and "Nice to Haves"

Site Conditions Outline

**Work Session #2:
Site Context**
MARCH

Public Comment and Key Informant Interview Updates

Site Conditions Review

Community Outreach Workshop Plan

RFP Elements and Related Research

**Work Session #3:
Community Input**
APRIL

Public Comment and Community Workshop Feedback

Basics of Pro Forma Development and Funding Decisions

DRAFT RFP content

Next steps in process

B. Project Webpage and Submitted Public Comment



<https://storymaps.arcgis.com/stories/e00b1604a5d349e6b5c139551ac5df6b>

Public Comments to Date

As of April 12, no public comments have been received.

C. Engagement Findings

Key Informant Interviews – Overview

The KURA Board identified six nearby neighbors to inform the project concept through one-on-one interviews. All identified neighbors were contacted, and to date five interviews have been conducted. Our team is looking to schedule the remaining two interviews in the near future. Interviews in this round of outreach include:

- US Bank Building
- Engel and Associates
- Nourish Me
- Thunderpaws
- Limelight Hotel
- Sushi on Second *not yet interviewed*

Key Informant Interviews – Themes and Findings

- **Project Concept Feedback**
 - A 4-story project was generally well-received if designed to match the character of the area
 - A 5-story building was not positively received
 - Ground floor housing units were not well-received as they do not contribute to street level activation, and ground floor residential was not viewed as attractive for tenants.
 - Respondents felt that luxury housing downtown is not currently in high demand
 - Including structured public parking was generally supported
 - Respondents wanted more information about the parking plan for residents – retailers in particular wanted to protect parking for customers
 - Breaking down the scale of the building and setting back the upper floors to protect views was desired
- **Protecting the charm and viewsheds in Ketchum is important to Ketchum locals and the visitor-based economy**
- **Protecting the commercial core of downtown is important** – Ketchum has some really unique and special commercial spaces that support both the local residents and the tourism economy. There was generally more support for active retail/commercial space on the ground floor as opposed to first floor residential uses.
- **High levels of support for housing that supports people living and working in Ketchum** – interviewees made it clear that finding solutions to providing housing was important and this project could be a part of that larger strategy.
- **Housing for people making \$15-20/hour is very difficult to find in Ketchum** – Many retail/food service employees who make \$15-20/hour cannot find housing in Ketchum and have to look to Bellevue and other communities farther away, and/or need to live with their parents. Interviewees indicated a desire to see this project provide housing options to individuals in this hourly wage bracket.
- **Be clear about the potential project gap funding options** – public parking and workforce housing seem likely to require this be part of the project and developers will likely want to know what KURA can bring to the effort.
- **Find ways to mitigate the potential (temporary) impacts of construction** – Construction on the site would be disruptive to nearby businesses, and there were some concerns that there was not a good staging area for such a large development.
- **Interviewees recognize that growth and change are inevitable and can be uncomfortable** – With new development, particularly larger developments come changes to the fabric of downtown.

Workshop – Overview

On April 13, 2022, the Ketchum Urban Renewal Agency alongside Agnew::Beck Consulting organized and hosted a public open house regarding the potential development of the property located at First Ave. and Washington Ave. The open house was open to the public between 4:00-6:30pm and was designed to both educate attendees on the current needs for housing, parking, and commercial space downtown, and to allow participants to provide feedback on possible design scenarios and elements of design.

Over the course of the open house, a total of 21 members of the public and 5 KURA Board members provided input and discussed the potential development with our open house staff.

This summary was developed based on written and verbal comments submitted during the open house.

Workshop – Key Themes and Findings

Housing Access and Affordability

- The proposed unit split of at least 60% of units serving households earning \$50,000-\$72,000 annually (80-120%) AMI was generally supported.
- General agreement to allow developer to include market rate housing if that helps the project financing/allows inclusion of more affordable housing units.
- Participants indicated that this housing should serve individuals who want to live and work in Ketchum.
- The currently proposed unit affordability prevents many single individuals who live and work in Ketchum from accessing these units.
- Retailers struggle to find staff who are able to live in Ketchum and these spaces do not currently serve retail or restaurant employees.
- Ketchum has a need for more rental units.

Elements of Function and Design

- Most participants wanted to see the building fill a mixed-use role with commercial, office and retail spaces that complement a diversity of housing unit sizes and affordability. A few people felt there was enough retail space already downtown.
- Four stories were strongly preferred over a five-story development.
- A strong desire for the building to match the unique character of downtown Ketchum. Some examples of how this might be achieved include matching the areas average glass-to-wall ratio and using older surface treatments such as brick or wood siding. Also setting back upper floors to maintain scenic views and the feel of a smaller-scaled building.
- Interest in architectural design that adds texture and form – and goes beyond a large box-like development.
- Streetscaping that highlights trees and greenery.

Parking

- There was a strong desire for this site to provide parking that meets the needs of all tenants as well as public parking to serve other downtown functions such as retail and restaurant use.
- Underground parking was generally supported but there were concerns that this approach might not provide enough parking or would be too cost-prohibitive.
- Preserving alley access for deliveries to local businesses is vital.
- Currently, the existing paid parking lot is utilized for larger vehicle parking (RVs, campers, snowmobile trailers, etc.) and some participants questioned where this traffic would go. Similarly, the parking lot is used for deliveries and sometimes construction staging, so participants were interested to understand how those uses would be redirected.

Additional suggestions

- Community rooftop spaces – could either be places to serve building tenants, publicly open restaurants/bars, and or larger patio style developments for penthouses
- Solar panels on the roof to help reduce utility expenses and build sustainability
- Bike racks and accessible bike parking areas
- Green roofs and/or rooftop gardens; green building/LEED certified
- Restaurants and bars – ideally places that are open later and bring community vibrancy
- Incorporate child care

Public Input Summary Table

	Elements Reviewed	Stakeholder Preferences	Board Options/Decision Points
Housing Component	<ul style="list-style-type: none"> • <i>Y/N support?</i> • <i>Number of Units</i> • <i>Types of Units</i> • <i>Unit Affordability</i> 	Yes – support housing, range of units, types of units and support spread of affordability	<i>Determine whether or not to adjust unit affordability based on public input.</i>
Commercial Component/ Ground Floor Activation	<ul style="list-style-type: none"> • <i>Y/N Support?</i> • <i>Preferred uses</i> • <i>Preferred design elements</i> 	Yes – general support for ground floor retail	<i>Affirm preference for at least some ground floor commercial in RFP?</i>
Parking	<ul style="list-style-type: none"> • <i>Public parking inclusion</i> • <i>Structured parking</i> • <i>Below-grade parking</i> 	Yes – structured parking, below-grade parking supported. Inclusion of public/private parking highly supported.	<i>Request or require underground parking?</i>
Design Elements	<ul style="list-style-type: none"> • <i>Project design parameters</i> • <i>Design style/ character examples</i> 	Yes – supportive of 4 stories, upper floor setbacks, “not a box,” protect viewsheds as much as possible, consistent with existing style/designs	<i>No decision on height needed – use mix requires 4 (or fewer) stories. Could award points or indicate preference in RFP for specific elements.</i>
Other Uses, Concepts or Features?		Think creatively about first floor and top floor uses Emphasize green/sustainable building	<i>Could award points or indicate preference in RFP for specific elements.</i>

D. RFP Development

DRAFT RFP Outline

1. **Introduction and Project Summary** - *AB and Staff*
 - a. Project announcement and invitation for proposals – welcome language and submission deadline
 - b. Very short site description – site acreage, address, ownership, current use, and relevant zoning
 - c. Intended project use – two sentences or so on the final project use
 - d. Development timeline
2. **Project Context and Background** – *AB and Staff*
 - a. About Ketchum and the region
 - b. Site Information and Site history
 - c. Relevant plans – from the Ketchum Housing Action Plan, the KURA Plan, and the City of Ketchum Comprehensive Plan
3. **Project Goals and Priorities** – *AB, E&B, and Staff*
 - a. Project goals
 - b. Project must-haves, nice-to-have items, and alternate proposal elements
 - i. Unit mix and income targets
 - ii. Parking numbers
 - iii. Green Building requirements
 - iv. Development requirements – as proscribed in all applicable zoning and land use regulations for the City of Ketchum
4. **Submission Requirements** – *E&B and Staff*
 - a. Proposal section descriptions
 - i. Cover Sheet
 - ii. Acknowledgement and Release
 - iii. Qualifications and Experience – Development team info, Developer portfolio and references, project examples
 - iv. Project Proposal – Narrative overview of vision and development program
 - v. Preliminary Pro Forma – sources of funds and budget
 - vi. Preliminary Project Schedule
 - vii. Preliminary Project Plans – schematic drawings/renderings
 - b. RFP deadlines and submittal instructions
 - c. Contact Information and Q&A process
5. **Evaluation Criteria and Selection Process** – *E&B and Staff*
 - a. Criteria
 - i. How submissions will be evaluated – include sample ranking sheet in RFP
 - b. Process and Timeline – details for when the submissions will be reviewed and potential next steps including interviews and requests for additional information
 - i. RFP submittals
 - ii. Review of Proposals – may include additional Q&A and/or interviews
 - iii. Exclusive Right to Negotiate
 - iv. Entitlements and Development Agreement
 - v. Project Initiation
6. **Disclaimers/Other** – *E&B*
 - a. Public Information
 - b. Discretion and Authority
7. **Attachments** - *Staff*
 - a. Legal site description
 - b. Site Survey
 - c. Site map
 - d. Adjacent uses map
 - e. Site photos
 - f. Parking Data

- g. Title Report
- h. Phase 1 Environmental Reports
- i. Submittal Templates

Proposed Timeline

- April 18th – KURA Regular Board Meeting
- April 20th - Draft RFP due from Ryan and Abbey for review by staff (1.5 weeks)
- April 22nd - Staff comments back to Ryan and Abbey
- April 29th - Final draft of RFP from Ryan and Abbey
- May 4th - KURA packet due
- May 9th - Special meeting of the KURA - RFP approval
- May 13th - RFP publication



Ketchum Urban Renewal Agency

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

April 18, 2022

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO RECEIVE PUBLIC COMMENT AND APPROVE 2021 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.

Notice was published on April 6th and April 13th 2021 requesting public comment and providing notice of the KURA review of the 2021 Annual Report on April 18, 2021. Notice was also posted on the KURA website providing the opportunity for comment. To date, no comments have been received.

Recommendation and Motion

Staff recommends the Board receive any public comment and then approve the 2021 Annual Report for the Ketchum Urban Renewal Agency and adopt the following motion:

I move to approve the 2021 KURA Annual Report and direct staff to file the report with the State.

Attachment A: 2021 KURA Annual Report



2021 ANNUAL REPORT

This 2021 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 2021 Board of Commissioners: Chair Ed Johnson, Vice Chair Casey Dove, Commissioner Susan Scovell, Commissioner Casey Burke, Commissioner Carson Palmer, Commissioner, Amanda Breen, Commissioner Jim Slanetz. This 2021 Annual Report was prepared by the KURA Secretary, Tara Fenwick.

The 2021 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.

MOTION SUMMARY

- a. Motion to release annual reimbursement payment for the Community Library sidewalk work.
- b. Motion to approve the 2020 KURA Annual Report.
- c. Motion to authorize signatories on the agency as Executive Director, Suzanne Frick, Chair, Ed Johnson and Vice Chair, Casey Burke.
- d. Motion to fund 50% of the cost, with a cap, for Town Square Improvements.
- e. Motion to appoint Tara Fenwick as Secretary on 06/21/2021.
- f. Motion to appoint Shellie Rubel as Treasurer on 06/21/2021.
- g. Motion to approve Resolution 21-URA01 authorizing annual allocation for refunding bonds.

- h. Motion to approve Resolution URA21-02 approving post issuance tax procedures.
- i. Motion to adopt FY 21/22 Budget.
- j. Motion to approve Resolution URA21-03 annual appropriation resolution.
- k. Motion to authorize funding for a study of roadway improvements at Warm Springs Road / Main Steet.
- l. Motion to approve ICRMP Insurance renewal.

A financial statement for the Ketchum Urban Renewal Agency setting forth its assets, liabilities, income, and operating expense as of the end of FY 20-21 (*October 2020 thru September 2021*), is attached as Exhibit A in addition to the Financial Statement as of September 30, 2021.

CITY OF KETCHUM
BALANCE SHEET
SEPTEMBER 30, 2021

URBAN RENEWAL AGENCY

ASSETS

98-1000-0000	CASH - COMBINED	12,696.25	
98-1010-0000	URBAN RENEWAL FUND CASH	264,556.57	
98-1050-0000	TAXES RECEIVABLE-CURRENT	14,965.23	
98-1150-0000	ACCTS RECVBL	1,050.00	
98-1510-0000	INVESTMENTS-URA GF #2987	1,954,572.22	
98-1510-1000	INVESTMENTS-URA DEBT #3243	354,912.56	
98-1514-0000	UNAMORTZED PRE-ISSUANCE BND CT	38,827.14	
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	(43,480.38)	
	TOTAL ASSETS		<u><u>7,763,981.02</u></u>

LIABILITIES AND EQUITY

LIABILITIES

98-2300-0000	ACCRUED INTEREST PAYABLE	(3,209.00)	
98-2340-0000	REFUNDING BONDS PAYABLE 2021	4,452,140.16	
	TOTAL LIABILITIES		4,448,931.16

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
98-2710-0000	FUND BALANCE	2,133,574.51	
	REVENUE OVER EXPENDITURES - YTD	<u>1,181,475.35</u>	
	BALANCE - CURRENT DATE		<u>3,315,049.86</u>
	TOTAL FUND EQUITY		<u>3,315,049.86</u>
	TOTAL LIABILITIES AND EQUITY		<u><u>7,763,981.02</u></u>

CITY OF KETCHUM
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2021

URBAN RENEWAL AGENCY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>PROPERTY TAX</u>					
98-3100-1000 TAX INCREMENT REVENUE	1,860,533.41	1,860,533.41	1,650,000.00	(210,533.41)	112.8
98-3100-1050 PROPERTY TAX REPLACEMENT	6,813.29	6,813.29	.00	(6,813.29)	.0
98-3100-9000 PENALTY & INTEREST ON TAXES	3,341.50	3,341.50	2,500.00	(841.50)	133.7
TOTAL PROPERTY TAX	1,870,688.20	1,870,688.20	1,652,500.00	(218,188.20)	113.2
<u>MISCELLANEOUS REVENUE</u>					
98-3700-1000 INTEREST EARNINGS	4,295.75	4,295.75	2,500.00	(1,795.75)	171.8
98-3700-1010 INTEREST EARNINGS-URA DEBT	1,072.93	1,072.93	.00	(1,072.93)	.0
98-3700-2000 RENT	49,004.55	49,004.55	36,000.00	(13,004.55)	136.1
98-3700-3600 REFUNDS & REIMBURSEMENTS	62,016.32	62,016.32	.00	(62,016.32)	.0
TOTAL MISCELLANEOUS REVENUE	116,389.55	116,389.55	38,500.00	(77,889.55)	302.3
<u>FUND BALANCE</u>					
98-3800-9000 FUND BALANCE	.00	.00	520,000.00	520,000.00	.0
TOTAL FUND BALANCE	.00	.00	520,000.00	520,000.00	.0
TOTAL FUND REVENUE	1,987,077.75	1,987,077.75	2,211,000.00	223,922.25	89.9

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2021

URBAN RENEWAL AGENCY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>URBAN RENEWAL EXPENDITURES</u>					
MATERIALS AND SERVICES:					
98-4410-3100 OFFICE SUPPLIES & POSTAGE	88.06	88.06	500.00	411.94	17.6
98-4410-4200 PROFESSIONAL SERVICES	94,588.62	94,588.62	56,000.00	(38,588.62)	168.9
98-4410-4400 ADVERTISING & LEGAL PUBLICATIO	338.73	338.73	1,000.00	661.27	33.9
98-4410-4600 LIABILITY INSURANCE	5,756.00	5,756.00	2,928.00	(2,828.00)	196.6
98-4410-4800 DUES, SUBSCRIPTIONS, & MEMBERS	2,600.00	2,600.00	1,500.00	(1,100.00)	173.3
98-4410-4900 PERSONNEL TRAINING/TRAVEL/MTG	.00	.00	2,000.00	2,000.00	.0
98-4410-5000 ADMINISTRATIVE EXPNS-CITY GEN	32,869.00	32,869.00	32,869.00	.00	100.0
98-4410-6100 REPAIR & MAINT--MACHINERY & EQ	508.80	508.80	.00	(508.80)	.0
TOTAL MATERIAL AND SERVICES	136,749.21	136,749.21	96,797.00	(39,952.21)	141.3
CAPITAL OUTLAY:					
98-4410-7100 INFRASTRUCTURE PROJECTS	187,833.36	187,833.36	1,196,147.00	1,008,313.64	15.7
98-4410-7101 LIMELIGHT OPA	.00	.00	150,000.00	150,000.00	.0
98-4410-7103 MISCELLANEOUS OPA	.00	.00	10,000.00	10,000.00	.0
98-4410-7104 COMMUNITY LIBRARY OPA	50,000.00	50,000.00	50,000.00	.00	100.0
98-4410-7110 ECONOMIC DEVELOPMENT PROJECTS	14,000.00	14,000.00	25,000.00	11,000.00	56.0
98-4410-7900 DEPRECIATION EXPENSE	15,885.43	15,885.43	.00	(15,885.43)	.0
98-4410-7950 AMORTIZATION COSTS	108,146.47	108,146.47	.00	(108,146.47)	.0
TOTAL CAPITAL OUTLAY	375,865.26	375,865.26	1,431,147.00	1,055,281.74	26.3
OTHER EXPENDITURES:					
98-4410-8801 REIMBURSE CITY GENERAL FUND	.00	.00	84,001.00	84,001.00	.0
98-4410-8852 REIMBURSE IN-LIEU HOUSING FUND	.00	.00	90,000.00	90,000.00	.0
98-4410-9930 URA FUND OP. CONTINGENCY	.00	.00	25,000.00	25,000.00	.0
TOTAL OTHER EXPENDITURES	.00	.00	199,001.00	199,001.00	.0
TOTAL URBAN RENEWAL EXPENDITURES	512,614.47	512,614.47	1,726,945.00	1,214,330.53	29.7

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING SEPTEMBER 30, 2021

URBAN RENEWAL AGENCY

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>URA DEBT SERVICE EXPENDITURES</u>						
MATERIALS AND SERVICES:						
98-4800-4200	PROF. SERVICES-PAYING AGENT	1,750.00	1,750.00	1,600.00	(150.00)	109.4
TOTAL MATERIAL AND SERVICES		1,750.00	1,750.00	1,600.00	(150.00)	109.4
OTHER EXPENDITURES:						
98-4800-8100	DEBT SERVICE ACCT PRIN-2010	.00	.00	200,000.00	200,000.00	.0
98-4800-8300	DEBT SRVC ACCT INTRST-2010	282,412.40	282,412.40	282,455.00	42.60	100.0
98-4800-8450	DEBT SRVC ACCT INTRST-2021	8,825.53	8,825.53	.00	(8,825.53)	.0
TOTAL OTHER EXPENDITURES		291,237.93	291,237.93	482,455.00	191,217.07	60.4
TOTAL URA DEBT SERVICE EXPENDITURES		292,987.93	292,987.93	484,055.00	191,067.07	60.5
TOTAL FUND EXPENDITURES		805,602.40	805,602.40	2,211,000.00	1,405,397.60	36.4
NET REVENUE OVER EXPENDITURES		1,181,475.35	1,181,475.35	.00	(1,181,475.35)	.0
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT

CITY OF KETCHUM
 BALANCE SHEET
 MARCH 31, 2022

URBAN RENEWAL AGENCY

ASSETS

98-1000-0000	CASH - COMBINED	12,696.25	
98-1010-0000	URBAN RENEWAL FUND CASH	235,914.17	
98-1050-0000	TAXES RECEIVABLE-CURRENT	14,965.23	
98-1150-0000	ACCTS RECVBL	1,050.00	
98-1510-0000	INVESTMENTS-URA GF #2987	3,356,108.18	
98-1510-1000	INVESTMENTS-URA DEBT #3243	355,147.16	
98-1514-0000	UNAMORTZED PRE-ISSUANCE BND CT	38,827.14	
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	(43,480.38)	
	TOTAL ASSETS		<u>9,137,109.18</u>

LIABILITIES AND EQUITY

LIABILITIES

98-2300-0000	ACCRUED INTEREST PAYABLE	(3,209.00)	
98-2340-0000	REFUNDING BONDS PAYABLE 2021	4,452,140.16	
	TOTAL LIABILITIES		4,448,931.16

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
98-2710-0000	FUND BALANCE	3,315,049.86	
	REVENUE OVER EXPENDITURES - YTD	1,373,128.16	
	BALANCE - CURRENT DATE	4,688,178.02	
	TOTAL FUND EQUITY		<u>4,688,178.02</u>
	TOTAL LIABILITIES AND EQUITY		<u>9,137,109.18</u>

CITY OF KETCHUM
REVENUES WITH COMPARISON TO BUDGET
FOR THE 6 MONTHS ENDING MARCH 31, 2022

URBAN RENEWAL AGENCY

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>PROPERTY TAX</u>					
98-3100-1000 TAX INCREMENT REVENUE	1,515,673.46	1,515,673.46	1,750,000.00	234,326.54	86.6
98-3100-1050 PROPERTY TAX REPLACEMENT	6,813.29	6,813.29	.00	(6,813.29)	.0
98-3100-9000 PENALTY & INTEREST ON TAXES	3,071.47	3,071.47	2,500.00	(571.47)	122.9
TOTAL PROPERTY TAX	1,525,558.22	1,525,558.22	1,752,500.00	226,941.78	87.1
<u>MISCELLANEOUS REVENUE</u>					
98-3700-1000 INTEREST EARNINGS	1,542.32	1,542.32	.00	(1,542.32)	.0
98-3700-1010 INTEREST EARNINGS-URA DEBT	234.60	234.60	.00	(234.60)	.0
98-3700-2000 RENT	18,000.00	18,000.00	36,000.00	18,000.00	50.0
98-3700-3600 REFUNDS & REIMBURSEMENTS	1,920.00	1,920.00	.00	(1,920.00)	.0
TOTAL MISCELLANEOUS REVENUE	21,696.92	21,696.92	36,000.00	14,303.08	60.3
<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	1,547,255.14	1,547,255.14	2,867,383.00	1,320,127.86	54.0

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 6 MONTHS ENDING MARCH 31, 2022

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	500.00	500.00	.0
98-4410-4200 PROFESSIONAL SERVICES	25,502.10	25,502.10	66,000.00	40,497.90	38.6
98-4410-4400 ADVERTISING & LEGAL PUBLICATIO	.00	.00	1,000.00	1,000.00	.0
98-4410-4600 LIABILITY INSURANCE	.00	.00	3,074.00	3,074.00	.0
98-4410-4800 DUES, SUBSCRIPTIONS, & MEMBERS	2,600.00	2,600.00	2,600.00	.00	100.0
98-4410-4900 PERSONNEL TRAINING/TRAVEL/MTG	256.78	256.78	2,000.00	1,743.22	12.8
98-4410-5000 ADMINISTRATIVE EXPNS-CITY GEN	9,959.97	9,959.97	34,547.00	24,587.03	28.8
98-4410-6100 REPAIR & MAINT--MACHINERY & EQ	.00	.00	500.00	500.00	.0
TOTAL MATERIAL AND SERVICES	38,318.85	38,318.85	110,221.00	71,902.15	34.8
CAPITAL OUTLAY:					
98-4410-7100 INFRASTRUCTURE PROJECTS	22,856.90	22,856.90	2,000,000.00	1,977,143.10	1.1
98-4410-7101 LIMELIGHT OPA	.00	.00	150,000.00	150,000.00	.0
98-4410-7103 MISCELLANEOUS OPA	22,125.56	22,125.56	14,000.00	(8,125.56)	158.0
98-4410-7104 COMMUNITY LIBRARY OPA	50,000.00	50,000.00	50,000.00	.00	100.0
98-4410-7105 SUN VALLEY & 1ST OPA	2,314.65	2,314.65	.00	(2,314.65)	.0
98-4410-7110 ECONOMIC DEVELOPMENT PROJECTS	.00	.00	35,000.00	35,000.00	.0
98-4410-7112 311 FIRST (WILSON)	.00	.00	12,000.00	12,000.00	.0
98-4410-7900 DEPRECIATION EXPENSE	.00	.00	16,000.00	16,000.00	.0
98-4410-7950 AMORTIZATION COSTS	.00	.00	11,000.00	11,000.00	.0
TOTAL CAPITAL OUTLAY	97,297.11	97,297.11	2,288,000.00	2,190,702.89	4.3
OTHER EXPENDITURES:					
98-4410-8801 REIMBURSE CITY GENERAL FUND	.00	.00	75,184.00	75,184.00	.0
98-4410-9930 URA FUND OP. CONTINGENCY	.00	.00	15,000.00	15,000.00	.0
TOTAL OTHER EXPENDITURES	.00	.00	90,184.00	90,184.00	.0
TOTAL URBAN RENEWAL EXPENDITURES	135,615.96	135,615.96	2,488,405.00	2,352,789.04	5.5

CITY OF KETCHUM
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 6 MONTHS ENDING MARCH 31, 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	.00	.00	240,000.00	240,000.00	.0
98-4800-8450	DEBT SRVC ACCT INTRST-2021	38,511.02	38,511.02	138,978.00	100,466.98	27.7
TOTAL OTHER EXPENDITURES		38,511.02	38,511.02	378,978.00	340,466.98	10.2
TOTAL URA DEBT SERVICE EXPENDITURES		38,511.02	38,511.02	378,978.00	340,466.98	10.2
TOTAL FUND EXPENDITURES		174,126.98	174,126.98	2,867,383.00	2,693,256.02	6.1
NET REVENUE OVER EXPENDITURES		1,373,128.16	1,373,128.16	.00	(1,373,128.16)	.0
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT

KETCHUM URBAN RENEWAL AGENCY

KETCHUM, IDAHO

**Financial Statements
at September 30, 2021**

**KETCHUM URBAN RENEWAL AGENCY
KETCHUM, IDAHO**

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INDEPENDENT AUDITOR'S REPORT

November 4, 2021

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

Report on the Financial Statements

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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information on page 15 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates 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 my opinion, the supplementary information along with the schedule of expenditure of federal awards 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 November 4, 2021, 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 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 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 Ketchum Urban Renewal Agency's internal control over financial reporting and compliance.

Workman & Company

WORKMAND AND COMPANY
Certified Public Accountants
Twin Falls, Idaho

KETCHUM URBAN RENEWAL AGENCY
Statement of Net Position
at September 30, 2021

	<u>Total Primary Government</u>	<u>Total Reporting Entity</u>
<u>ASSETS</u>		
Cash and Deposits	\$ 2,586,738	\$ 2,586,738
Accounts and Property Tax Receivable	16,015	16,015
Total	<u>2,602,753</u>	<u>2,602,753</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	(43,480)	(43,480)
Total Capital Assets	<u>5,122,402</u>	<u>5,122,402</u>
Total Assets	<u>7,725,155</u>	<u>7,725,155</u>
<u>LIABILITIES</u>		
Accrued Interest Payable	3,209	3,209
Long-term Liabilities:		
Portion due or payable within one year:		
Bonds Payable	442,414	442,414
Portion due or payable after one year:		
Bonds Payable	4,009,726	4,009,726
Unamortized Pre-Issuance Bond Costs	<u>(38,827)</u>	<u>(38,827)</u>
Total Liabilities	<u>4,416,522</u>	<u>4,416,522</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	1,261,687	1,261,687
Unrestricted	<u>2,046,946</u>	<u>2,046,946</u>
Total Net Position	<u>\$ 3,308,633</u>	<u>\$ 3,308,633</u>

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Statement of Activities
For the Year Ended September 30, 2021

Activities:	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position	
Governmental:		Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Total
General Government	\$ 812,020	\$ 49,005	\$ 0	\$ (763,015)	\$ (763,015)
Contributions to City of Ketchum	0			0	0
Total Governmental Activities	812,020	49,005	0	(763,015)	(763,015)
General Revenues:					
Property Taxes				1,867,347	1,867,347
Penalty and Interest on Taxes				3,341	3,341
Refunds and Reimbursements				62,016	62,016
Interest				5,369	5,369
Total general revenues and transfers				1,938,073	1,938,073
Changes in net position				1,175,058	1,175,058
Net Position - Beginning				2,133,575	2,133,575
Net Position - Ending				\$ 3,308,633	\$ 3,308,633

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Balance Sheet
Governmental Funds
at September 30, 2021

	<u>Total Governmental Funds</u>
ASSETS:	
Cash and Cash Equivalents	\$ 2,586,738
Taxes Receivable	14,965
Due From Other Sources	<u>1,050</u>
Total Assets	<u>\$ 2,602,753</u>
LIABILITIES:	
Accounts and Accrued Payables	\$ <u>0</u>
Total Liabilities	<u>0</u>
FUND BALANCE:	
Non-spendable	0
Restricted	0
Committed	0
Assigned	2,602,753
Unassigned	<u>0</u>
Total Fund Balance	<u>2,602,753</u>
Total Liabilities and Fund Balance	2,602,753

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 \$ 43,480	5,122,402
Bond discounts and pre-issuance costs are not financial resources and therefore are not reported in the funds.	38,827
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>(4,455,349)</u>
Net Position of Governmental Funds	<u>\$ 3,308,633</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, 2021

	<u>Total Governmental Funds</u>
REVENUE:	
Tax Levy Revenue	\$ 1,870,688
Rent Revenue	49,005
Refunds and Reimbursements	62,016
Interest Income	<u>5,369</u>
Total Revenue	<u>1,987,078</u>
EXPENDITURES:	
Office Expense	88
Professional Fees	94,589
Advertising and Publications	339
Insurance	5,756
Administration	35,978
Repairs	0
Reimburse Ketchum City - General	0
Reimburse Ketchum City - In Lieu Housing	0
Capital Projects	253,583
Debt service	<u>1,407,982</u>
Total Expenditures	<u>1,798,315</u>
EXCESS REVENUE (EXPENDITURES)	188,763
FUND BALANCE - BEGINNING	<u>2,413,990</u>
FUND BALANCE - ENDING	<u><u>\$ 2,602,753</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, 2021

Net Change in Fund Balance - Total Governmental Funds (Page 6)	\$ 188,763
<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.	(15,885)
This is the amount of current year amortization.	(108,146)
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.	128,313
This is the amount of current year payments of long term debt	<u>982,013</u>
Change in Net Position of Governmental Activities (Page 4)	<u>\$ 1,175,058</u>

The accompanying notes are a part of these financial statements.

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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, 2021**

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 City reports net assets in three categories – invested in capital assets, restricted and unrestricted.
- B. Fund Financial Statements – The City 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, 2021**

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 City'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 \$27,253 of deposits were exposed to custodial credit risk.

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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 \$ 2,309,485.

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		277,253
State of Idaho Investment Pool		<u>2,309,485</u>
Total		<u>\$2,586,738</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, 2021**

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 the current year, the Agency paid nothing leaving the restricted amount at \$1,261,687.

5. GENERAL FIXED ASSETS

Capital asset activity for the year ended September 30, 2021, 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:	27,595		15,885				43,480
Total Net Depreciated Assets	<u>369,541</u>		<u>(15,885)</u>		<u>0</u>		<u>353,656</u>
Governmental capital assets, net	<u>\$ 5,138,287</u>	\$	<u>(15,885)</u>	\$	<u>0</u>	\$	<u>5,122,402</u>

**KETCHUM URBAN RENEWAL AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

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 principle 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 principle and interest in the event of default by the agency. During the current year, 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, 2021, is as follows:

	<u>Interest Rate</u>	<u>Fiscal Year</u>	<u>Balance</u>
Tax Increment Refunding Bonds, Series 2021:	1.73%	2021-2030	\$ 4,452,140

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

2022	\$ 442,414
2023	472,588
2024	481,014
2025	488,835
2026	495,067
2027-2030	<u>2,072,222</u>
	<u>\$ 4,452,140</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.

KETCHUM URBAN RENEWAL AGENCY
Budgetary Comparison Schedule
General Fund
for the year ended September 30, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES:			
Property taxes - Tax Increment Revenues	\$ 1,652,500	\$ 1,870,688	\$ 218,188
Rent Revenue	36,000	49,005	13,005
Refunds and Reimbursements	0	62,016	62,016
Earnings on investments	2,500	5,369	2,869
	<u>1,691,000</u>	<u>1,987,078</u>	<u>296,078</u>
EXPENDITURES:			
Office Expense	500	88	412
Professional Fees	56,000	94,589	(38,589)
Advertising/Publications	1,000	339	661
Insurance	2,928	5,756	(2,828)
Administrative Expenses	36,369	35,978	391
Debt Service	484,055	1,407,982	(923,927)
Reimburse Ketchum City - General Expense	84,001	0	84,001
Reimburse Ketchum City - In Lieu Housing	90,000	0	90,000
Capital Outlay	1,431,147	253,583	1,177,564
	<u>2,186,000</u>	<u>1,798,315</u>	<u>387,685</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(495,000)</u>	<u>188,763</u>	<u>683,763</u>
NET CHANGE IN FUND BALANCE	(495,000)	188,763	\$ <u><u>683,763</u></u>
FUND BALANCE - BEGINNING	<u>2,413,990</u>	<u>2,413,990</u>	
FUND BALANCE - ENDING	<u><u>\$ 1,918,990</u></u>	<u><u>\$ 2,602,753</u></u>	

The accompanying notes are a part of these financial statements.

KETCHUM URBAN RENEWAL AGENCY
Bond-Future Principal and Interest Requirements
at September 30, 2021

	Annual Payment			
	Interest Rate	Fiscal Year	Principal Payment	Interest Payment
\$4,815,959 Tax Increment Refunding Bonds, Series 2021 1.73%				
	1.73%	2022	\$ 442,414	\$ 77,022
	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
			\$ 4,452,140	\$ 395,299

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**

November 4, 2021

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, 2021, 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, 2021.

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



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

April 18, 2022

Chairman and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

Chairman and URA Commissioners:

**RECOMMENDATION TO APPROVE FUNDING COMMITMENT LETTER FOR
BLUEBIRD COMMUNITY HOUSING PROJECT AT 480 EAST AVENUE**

Recommendation and Summary

Staff recommends the KURA authorize the Chair to sign the attached funding commitment letter for the Bluebird Project located at 480 East Avenue and the rear parking lot and make the following motion:

I move to authorize the Chair to sign the April 18, 2022 funding commitment letter for the Bluebird housing project.

Introduction/History

The Ketchum Community Development Corporation and GMD Development are constructing a 51-unit community housing project at 480 East Avenue, the old city hall site and rear parking lot. In July 2020, the KURA committed \$564,860 to fund infrastructure improvements.

On April 4th, the KURA agreed to contribute an additional \$255,953 towards the project for a total funding commitment of \$820,813. Reimbursement would occur over a 3-year period. The development team is requesting a letter of funding commitment from the Board while the terms of the reimbursement agreement are finalized. This approach is similar to the approach taken in 2020 when the Board committed the initial funding.

Attachment A: April 18, 2022 Funding Commitment Letter



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

April 18, 2022

Charles Friedman
Ketchum Community Development Corporation
PO Box 6452
Ketchum, Idaho 83340

Greg Dunfield
GMD Development
520 Pike Street #1010
Seattle, Washington, 98101

Dear Mr. Friedman and Mr. Dunfield,

This letter confirms the commitment of the Ketchum Urban Renewal Agency (KURA) to provide \$820,831.00 in funding for infrastructure improvements related to the Bluebird Village affordable housing project.

On July 20, 2020 the Ketchum Urban Renewal Agency unanimously adopted a motion to provide infrastructure funding in the amount of \$564,860.00. In approving the funding, the KURA expressed support and enthusiasm for the proposed 52-unit affordable housing project.

On April 4, 2022, in response to growing construction costs and inflation, the Agency approved, in support of the Tax Credit Application submitted by GMD Development and subject to approval of the Tax Credit Application and construction of the project, an increase of an additional \$255,953.00, bringing the total contribution approved by the Agency to \$820,813.00. This financial contribution will be contingent on the Agency and KCDC and GMD Development entering into a Capital Improvement Reimbursement Agreement.

We wish you success with your application. Please let me know if you have any questions.

Sincerely,

Susan Scovell
Chair