



REGULAR MEETING OF THE KETCHUM  
URBAN RENEWAL AGENCY  
MAY 2, 2011

This Regular Meeting of the Ketchum Urban Renewal Agency was called to order by Chairman Randy Hall at 12:00 p.m. at City Hall, Ketchum, Idaho.

**Commissioners present:** Chairman Randy Hall  
Vice-Chairman Mark Eshman  
Commissioner Baird Gourlay  
Commissioner Larry Helzel  
Commissioner Nina Jonas  
Commissioner Curtis Kemp

**Commissioners absent:** Commissioner Trish Wilson

**Also present:** Executive Director Gary Marks  
Attorney Stephanie Bonney  
Ketchum Community and Economic Development Director Lisa Horowitz  
Ketchum Planning Technician and Assistant to Executive Director Lisa Enourato  
Recording Secretary Sunny Grant

1. The meeting was called to order by Chairman Randy Hall at 12:00pm.

2. Communications from the Board of Commissioners

Commissioner Larry Helzel – We received earlier today notice of a lawsuit against the URA and the Cairde Group. State law prohibits us from discussing a lawsuit in a public meeting.

The lease process is complicated, difficult and time-consuming. The Cairde Group is not Starbucks Coffee Company; however, Cairde's acceptance of a lease will be subject to a discussion and subsequent agreement with Starbucks Coffee Company.

Commissioner Nina Jonas moved to amend the agenda for the URA to approve URA bills which are at present included in the Ketchum City Council Meeting Consent Calendar. Motion seconded by Chairman Randy Hall, and passed unanimously.

3. Consideration of Letter of Intent to lease, dated April 26, 2011, from the Cairde Group concerning the property located at 491 Sun Valley Road

**Also present:** Greg Randolph, Sun Valley Chamber of Commerce General Manager  
Nick Latham, project architect, Ruscitto Latham Blanton  
Steve Kearns, general contractor  
Rob Cronin and Jane Rizzo, Cairde Group

Nick Latham presented a conceptual plan of the shared Visitor Center/tenant space. The plan is super flexible, with movable walls, and can change as needs change. The plan also envisions a "discovery area" for visitors to look at information from the Visitor Center; and a community space for meetings and presentations.

Jane Rizzo – The investors of Cairde Group are excited to be part of this plan; and look forward to working with Starbucks on this Heritage Model Café project. We feel this project will attract additional people to Town Square and to the Visitors Center, which will direct traffic to other businesses in town.

Commissioner Larry Helzel – The Letter of Intent is fully covered in the Lease.

4. Consideration of a draft lease with the Cairde Group for a portion of a building located at 491 Sun Valley Road

The Commissioners went through and revised the lease, section by section. Commissioners discussed lease and rental terms. They asked for more information on the commercial tax rate of the building, and didn't want to give the tenant any special financial consideration. Rental should be based on square footage and commercial tax rate. The tenants, configuration and square footage of all space in the building is indefinite at this point.

The URA is asking for a \$60,000 third party guarantee in the event the improvements are made on the building and Cairde Group/Starbucks walks away from the deal. The building needs repairs anyway, and at least \$60,000 of the repairs are non tenant specific. The guarantee could be in the form of a letter of credit or cash in escrow, and would be held for 90 days after the tenant moves in.

The construction contract is between the URA and contractor. The lease prohibits the Cairde Group from taking occupancy until the contractor is paid.

The Commission will ask the lease broker about a lease deposit.

All improvements done by the URA and the tenant remain the property of the URA. Staff will research whether this is limited to fixed items.

**Commissioner Baird Gourlay** – This is not going to be a full restaurant. I know the insurers and the operators. There's no fire grill and they can't cook hamburgers or pizza.

### 3. Comments from the Public

- The Cairde Group is not a registered company in the State of Idaho, and is not qualified to do business in Idaho.
- Cost overruns are common with remodels, and should be covered in the lease.
- The tenant should pay market value rent as if this were a privately-owned building. This is one of the best locations in town, and rent should be fair to Ketchum taxpayers and businesses. There should also be a percentage of the gross. Most landlords don't pay cost of improvements.
- The latest Kearns' bid includes lots of potential hidden costs, and no mention of who will pay for them. It was going to cost \$100,000, and now it's up to \$140,000. There needs to be a cost cap. Where is the money coming from for the public improvements?
- A high technology Visitor Center will see traffic like it's never seen before. The more people we can get to the Visitor Center, the better it is for the whole community, and the more new business we'll bring here.

**Steve Kearns** – The heating ducts may cost more than we anticipate. We won't know until we cut the slab.

**Attorney Stephanie Bonney** – There is an ordinance that prohibits businesses from conducting business within the city right-of-ways. This is not a city right-of-way.

**Ketchum CED Director Lisa Horowitz** – Jon Duval, executive director of the KCDC, has requested a date with the URA Board to go through the tax credit application process. The CDC has been before P&Z, and will now go before the URA with a Memorandum of Understanding allowing the CDC to apply for a tax credit project.

**Commissioner Baird Gourlay** moved to continue this meeting to Tuesday, May 3, at 3:30pm. Motion seconded by **Commissioner Curtis Kemp**, and passed unanimously.

### 4. Consent Calendar: Approval of minutes from the April 21, 2011 URA Board meeting

**Commissioner Nina Jonas** will give changes to the minutes to **Ketchum CED Director Lisa Horowitz**.

**Chairman Randy Hall** moved to adopt the URA Consent Calendar of May 2, 2011, with the minutes of April 21, 2011 as amended. Motion seconded by **Commissioner Baird Gourlay**, and passed unanimously.

### 5. URA Bills

The URA doesn't have meetings often enough to pay regular bills, but can schedule short meetings before regular Council meetings just to approve bills. Commissioners **Mark Eshman** and **Trish Wilson** can approve bills by phone prior to the URA meeting.

**Chairman Randy Hall** moved to approve the URA bills, seconded by **Commissioner Baird Gourlay**. Motion passed unanimously.

### 6. Executive Session Idaho Code 67-2345 1(f) Pending Litigation

**Chairman Randy Hall** moved to go into Executive Session, pursuant to Idaho Code 67-2345 1(f).

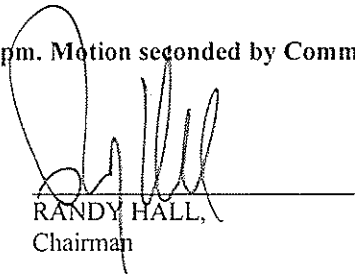
**Commissioner Baird Gourlay** seconded the motion. Roll call: **Chairman Randy Hall** yes, **Commissioner Baird Gourlay** yes, **Commissioner Larry Helzel** yes, **Commissioner Curtis Kemp** yes, **Commissioner Nina Jonas** yes, **Commissioner Mark Eshman** yes. Motion passed unanimously.

### 7. Adjournment

**Commissioner Baird Gourlay** moved to adjourn at 2:16 pm. Motion seconded by **Commissioner Helzel**, and passed unanimously.

ATTEST:

  
SANDRA E. CADY, CMC

  
RANDY HALL,  
Chairman

Secretary/Treasurer