



REGULAR URBAN RENEWAL AGENCY MEETING
Monday, March 12, 2012 at 12:00 p.m.
Ketchum City Hall, Ketchum, Idaho

Present: URA Chairman Mark Eshman
URA Vice Chair Trish Wilson
Commissioner Charles Friedman
Commissioner Randy Hall
Commissioner Nina Jonas
Commissioner Curtis Kemp
Commissioner Trina Peters

Also Present: Gary Marks, Executive Director
Lisa Horowitz, Community and Economic Development Director
Attorney Stephanie Bonney
Lisa Enourato, Associate Planner/Assistant to City Administrator

1. CALL TO ORDER

The meeting was called to order by Chairman Eshman at 12:01 p.m.

2. COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS

None

3. COMMUNICATIONS FROM THE PUBLIC

Phyllis Shafran noted a correction on the minutes of December 5, 2011. She also discussed the costs involved for the URA using city staff and sharing the city attorney and the possibility of the URA having their own staff and attorney. She also asked for more detailed and honest reports from the URA.

Chairman Eshman responded that the URA budget would have to be increased with a change in the administration of the agency; however, he suggested that there be a separate agreement with current counsel.

Gary Marks described the Redevelopment Association of Idaho report as being one that was not a report about "Ketchum's URA" but was developed to provide RAI information to outside groups.

4. PUBLIC HEARINGS

a) 2011 Ketchum Urban Renewal Annual Report

Gary Marks stated that the agency is required to file an annual report before March 31. This has been prepared and has identified the major undertakings of the agency for FY2011; the subject of the annual report. The statute requires a public hearing to take comment on the report.

Gary Marks agreed to update the tenant improvement amounts in the report as suggested by Commissioner Jonas. She also stated that in the City of Ketchum, what the URA is doing within the district doesn't benefit the population we serve. The Board disagreed and pointed out that the benefit for any URA is to stimulate economic activity and bring in more jobs, which benefits the greater population.

Commissioner Jonas had the following questions on the budget:

- Remodel improvements of \$34,000 as fixed asset, costs was \$56,000
This was determined by Dennis Brown, CPA to conform in how to report capital improvements.
- Provide a subtotal line as it's difficult to calculate the human resources line from salaries through state unemployment insurance
The Board agreed
- What is administrative expense as compared to salaries
Gary Marks stated that the administrative expense is the agency's share of the light bill and other operational costs of maintaining a building as a percentage of the city budget, which is an accepted practice throughout the nation in dividing expenses within a municipal environment.

Commissioner Jonas urged the Board to review the costs and try to trim them by having their own staff or facilities.

Gary Marks explained that professional services include legal fees, consultant fees, auditor, etc. Sandy Cady, URA Secretary/Treasurer, will provide a detailed breakdown of the charges included in professional services.

Commissioner Hall pointed out that the reason why staff and attorney are shared with the city is for efficiencies and maximizing the revenues generated from the district. He suggested that the Board put out an RFP for the services to compare with the efficiencies that are gained and the cost savings as a result of partnering with the City of Ketchum. Commissioner Hall believes the numbers and the relationship are fair.

The Board requested the following changes to the annual report:

- Add a subtotal line
- Change narrative for "tenant improvements that were three times"
- Change the word "represent" with "benefits"

The Board also requested the following, which is not part of the report:

- Clarification for the fixed asset on 491 Sun Valley Road
- Provide breakdown of professional services

Commissioner Peters approved the annual report as amended, seconded by Commissioner Friedman, unanimously approved.

5. COMMUNICATIONS FROM COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR

a) Recommendation to negotiate an agreement with Allstar Property Management for property management services at 491 Sun Valley Road

Lisa Horowitz spelled out that the tenants are responsible for the janitorial work and the landlord/owner is responsible for the maintenance of the building. The joint recommendation of CED and the Parks Department was that the Board consider having a professional property manager to handle the maintenance. Allstar Property Management was chosen from three bids. Lisa stated that calls have been coming in weekly and

there are certain levels of service that the URA is not doing because they are not familiar with those types of services.

Jeff Engelhardt described the janitorial and maintenance services of the Allstar Properties contract. The billing fee is \$581 per month. He noted that there are some areas in the lease that should be ironed out so that the landlord and the tenant know who is responsible for what so that Allstar is doing what they are supposed to be doing.

Commissioner Hall reviewed the proposal to determine what types of expenses there would be over and above the monthly fee and confirmed that the URA will be receiving a payment in lieu of taxes (PILT) from the tenant. He would like to resolve the confusion in the lease. Commissioner Jonas asked for clarification as to who was taking care of the common area. Lisa Horowitz stated that if something breaks, the URA pays for it, but the tenant pays for product such as paper towels. The common area and services that are provided to that area were discussed.

Other property management companies that did not respond were Matt Engel, High Country Management and Sun Country Management. Allstar Properties will provide references as requested.

Stephanie Bonney stated that the tenant is responsible for janitorial and there is no confusion on that but that when something crosses from janitorial to repair, a lease can't cover every situation. There will be some give and take on discussions like these. The expertise of a property manager can determine what is typically janitorial and what is repair.

Parking and dumpster issues in the alley were discussed along with the tables and chairs that have been stored by Starbucks at Town Square. Commissioner Hall noted that the storage issue is part of the property management. He asked for a map of the inside of the property showing the lease space and the common area noting what the URA and the lessee responsibilities are.

Commissioner Jonas requested removing "decorating" from section 10. She also discussed her concern over the monies set aside for property improvements that will now become maintenance and how that is reflected in the budget. There were also questions as to how bills will be received from the property manager.

Commissioner Hall described the relationship that the URA has with City employees and that the URA is getting a deal by having staff to keep it going. He suggested that in terms of saving money, to have Gary Marks provide a report so that it is known what areas can be cut.

Commissioner Hall motioned to make an agreement with Allstar Property Management for property management services at 491, seconded by Commissioner Kemp, unanimously approved.

b) Recommendation to prepare quarterly Payment in Lieu of Taxes (PILT) billing statements for Cairde Group related to the property located at 491 Sun Valley Road

Lisa Horowitz described the report as showing the procedure to collect the payment in lieu of taxes. Allstar Properties previously pointed out that the figure in the lease was not applied to the proper percentage of the building leased. It was also suggested by Allstar that the PILT be billed monthly, not quarterly. Ms. Horowitz suggested waiting until the third broker presented their estimate of the building value.

Commissioner Kemp motioned to direct staff to prepare monthly PILT billing statements for Cairde Group pursuant to the lease agreement, seconded by Commissioner Friedman, unanimously approved.

6. COMMUNICATIONS FROM EXECUTIVE DIRECTOR

a) Update on urban renewal legislation

Gary Marks reviewed the items pending legislation that address urban renewal, which was produced by the Redevelopment Association of Idaho.

Legislation pending before the Senate Local Government and Taxation Committee:

- House Bill 506 – to abolish the authority of eminent domain for urban renewal agencies; a power that is limited already in statute. A result of this bill would be to lose the ability to issue tax exempt bonds.
- House Bill 507aa – this would limit urban renewal plans to specific projects. This doesn't describe what is meant by "specific project".
- House Bill 519 – provides an exemption for site improvements where there would not be any real property tax levied on those improvements until other improvements, such as the construction of a facility or the developer conveys the property to another property.
- House Bill 562aa – removes community college property tax levies on the increment from flowing to an agency.

Legislation pending before the House Local Government Committee:

- House Bill 580 – requires 2/3 voter approval at a countywide election for any agency indebtedness.
- House Bill 597 – establishes provisions for an elected urban renewal agency board.

Gary Marks noted that the school district levy is not active now. Commissioner Hall asked what the RAI is doing to continue to educate the legislators on the value of URAs. Mr. Marks described the report that RAI created of a composite of major projects of agencies throughout the state and the Code of Ethics; a best practice code for all agencies. This was meant to address events that occurred in the past with urban renewal agencies around the state. An objective is to pull the agencies into best practice through the Code of Ethics. The Board requested the Code of Ethics and the report be placed on the KURA website.

b) Update on FY2011-12 budget.

KURA is trying to find a \$50,000 match to a grant secured by Mountain Rides for the Transit Center. Is there a way that the City and KURA can come up with the \$50,000. Mr. Marks presented and outlined 3 analyses:

1. Resources Analysis
2. Historical Cash Flow Chart
3. Budget vs Year End Projective

Mr. Marks then moved on to a requirements analysis:

1. Operations and Capital Expenses
2. Bond Reserve Transfer
 - a. Debt payment on 2010 Bond
 - b. Required reserve
3. Program Ending Fund Balance
4. Budget vs Year End Projection

Mr. Marks brought these together to determine whether or not there was a surplus. The actuals to date are 42%. Mr. Marks provided an explanation that the increase in the tax rolls came from properties that were in existence, but were not previously occupied and therefore, were not on the tax rolls until this was brought to the attention of the Blaine County Assessor. Mr. Marks noted that at this point in the budget the capital project is done, the transfer on the debt is done and they have set aside the ending fund balance. He also stated that the budget will be spent. His suggestion on the need for the \$50,000 was for an agreement to be reached between the URA and the City (to be reviewed in August) and that between the two, the \$50,000 will be made available to the Transit Center.

Jon Duval stated that Walkability will be making a presentation for those that haven't heard it yet and there might be an estimated ask, but not one set in stone. They would like to have some of the improvements in place by July 4; however the scope has not yet been determined. Mr. Marks advised not to put money into that project until after July. Commissioner Hall suggested splitting the contribution between two fiscal years.

Commissioner Wilson noted that she would not like to give specific commitments until it is in the reserve. Also, the transit center, while it is in the City of Ketchum, it is a broad benefit to the entire county as it serves the whole community. Another concern is that as an organization, items have not been prioritized that the URA has set forward to do as a project over the ten to twenty years. She believes the revenue stream is not sound. Commissioner Peters agreed as to project priorities and recommended a process by which they are evaluated.

Chairman Eshman recommended the URA host a visioning session with the community in order to get a better idea as to which projects money should be spent on in the eyes of the taxpayers. The smaller projects that come up in the short term can be responded to accordingly.

7. CONSENT CALENDAR

a) Approval of minutes from the February 21, 2012 URA Board Meeting

Stephanie Bonney responded to Chairman Eshman's comment relating to his signature on the minutes. She stated that he is signing the minutes with the current title, not what his title was during that meeting.

b) Recommendation to approve current bills

Commissioners Jonas and Hall suggested taking the administrative expenses out and breaking them down and itemizing them with regard to reimbursement to the City fund. The Board also noted other miscellaneous expenses they were unaware of.

Commissioner Kemp moved to approve the consent agenda minutes and the bills, which in the future will provide a detailed description of reimbursement to the City General Fund, seconded by Commissioner Jonas, unanimously approved.

Commissioner Friedman commented on a letter from Bob Crosby to the Ketchum URA and the Mayor and City Council and asked that it receive a written response. It suggests we use the Washington and First property for a parking lot. Commissioner Hall noted that after his conversation with Bob, if there were private citizens or anyone interested in renting the property, they should put together a proposal and present it to the URA. The URA originally purchased the property for specific purposes and suggested that the Sawtooth Board of Realtors

make their request to the Board. In addition, the KCDC has a lease option until September 2012 and will be reapplying to IHFA. The Board would like to address a formal response to the letter.

8. EXECUTIVE SESSION to discuss personnel, litigation and land acquisition pursuant to Idaho Code 67-2345 1(a), (b), (c) and (f)

No Executive Session

9. Adjourn

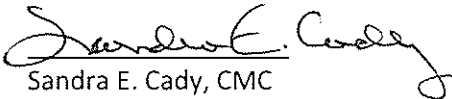
Commissioner Wilson motioned to adjourn the meeting, seconded by Commissioner Hall . The motion was unanimously approved.

The meeting was adjourned at 2:50 pm.



Mark Eshman
Chairman

ATTEST:



Sandra E. Cady, CMC
Secretary/Treasurer