

**KETCHUM URBAN RENEWAL BOARD MEETING CALENDAR**

**Monday, August 6, 2012, beginning at 12:00 p.m.**

**480 East Avenue, North, Ketchum, Idaho**

1. CALL TO ORDER
2. COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS.
3. COMMUNICATIONS FROM THE PUBLIC.
4. COMMUNICATIONS FROM COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR.
  - a) Report on the Low Income Tax Credit Program - Lisa Horowitz, Community & Economic Development Director.
  - b) Request for revisions to the Option to Lease with KCDC/GMD Development for a tax credit housing project at 211 First Street East - Lisa Horowitz, Community & Economic Development Director.
5. CONSENT CALENDAR.
  - a) Approval of minutes from the July 16, 2012 URA Board meeting.
  - b) Recommendation to approve current bills.
6. EXECUTIVE SESSION to discuss personnel, litigation and land acquisition pursuant to Idaho Code §§67-2345 1(a) (b), (c) and (f).
7. ADJOURNMENT.

Any person needing special accommodations to participate in the above noticed meeting should contact the Ketchum Urban Renewal Agency three days prior to the meeting at (208) 726-3841.

This agenda is subject to revisions and additions. NOTE: Revised portions of the agenda are underlined in **bold**. Public information on agenda items is available in the Clerk's Office located at 480 East Ave. N in Ketchum or (208) 726-3841.

# **Ketchum Urban Renewal Agency**

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P.O. Box 2315 Ketchum, Idaho 83340 (208) 726-3841 Fax: (208) 726-8234

July 30, 2012

Chair and Board Members  
Ketchum Urban Renewal Agency (KURA)  
Ketchum, Idaho

Chairman Eshman and URA Board Members:

## **Tax Credit Housing**

### Introduction/History

The Ketchum Community Development Corporation KCDC is working with Greg Dunfield, GMD Development to pursue a tax credit housing project on property owned by KURA, 211 First Street East.

Tax credit housing is used throughout the country. The Low Income Housing Tax credit program was created under the Tax Reform Act of 1986. It gives incentives for the utilization of private equity to develop affordable housing. This program is responsible for approximately 90% of all affordable rental housing created in the United States today. The program provides dollar-for-dollar reductions in a taxpayer's federal income tax, versus a tax deduction, which only provides a reduction in taxable income. As a result, most investors are corporations such as Home Depot, Verizon, and numerous banks. The program is considered to be one of the top ten of corporate deductions.

### Current Report

Greg Dunfield of GMD development will provide an overview of the Tax Credit Program, and a closer look at the pro forma for the proposed Washington Place Tax Credit project.

### Financial Requirement/Impact

This is an overview of a federal program.

### Recommendation

This is an overview, with no action requested of the Board.

Sincerely,

Lisa Horowitz  
Community and Economic Development Director

# **Ketchum Urban Renewal Agency**

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July 30, 2012

Chair and Board Members  
Ketchum Urban Renewal Agency (KURA)  
Ketchum, Idaho

Chairman Eshman and URA Board Members:

## **Requested Revisions, Option to Lease Agreement, 211 First Street East**

### Attachments

Attachment 1: Revised Draft Option to Lease  
Attachment 2: June 11, 2012 Letter from GMD Development regarding  
Lease Option Request and Project Summary

### Introduction/History

The Ketchum Community Development Corporation is requesting a revision to the adopted Option to Lease for the property owned by KURA at 211 East First Street, otherwise known as the Dollhouse. The KCDC is working with Greg Dunfield, GMD Development to pursue a tax credit housing project on the site.

The housing project will be owned by an LLC comprised of KCDC as the managing member and the tax credit housing developer (GMD) as a member. It is anticipated that the tax credit investor will also become a member of the LLC. The units will all be rental units, reserved for households with incomes equal or less than 60% of the Blaine County Area Median Income. Tax credit deed restrictions will restrict the units for 44 years. A Preapplication Design Review workshop was conducted on April 25, 2011. The 23-unit proposal was well received by the Commission.

In June, 2011, the KURA issued an RFP requesting proposals for an affordable housing development for 211 East First Street. One proposal was received from the team of KCDC/GMD Development. The KURA Board reviewed and accepted the proposal based on criteria listed in the RFP. Following the acceptance of the proposal, KURA entered into an Option to Lease, Attachment 1 to this report. This option was modified by the KURA Board in June, 2012.

Current Report

The applicant is now including HOME funds in their application for Tax Credits. HOME funds require a 99-year lease term, versus the 65 years approved by the Board, as further described in the attached letter from GMD Development.

Financial Requirement/Impact

There are no direct fiscal costs to the KURA of this Revised Option to Lease.

Recommendation

Staff recommends that the KURA direct the Chair to sign the Revised Option to Lease with KCDC for the purpose of pursuing a tax credit housing project for property owned by KURA located at 211 East First Street.

Recommended Motion: "I move to authorize the Chair to sign the Revised Option to Lease with KCDC for the purpose of pursuing a tax credit housing project for property owned by KURA located at 211 East First Street.

Sincerely,

Lisa Horowitz  
Community and Economic Development Director

**OPTION TO LEASE**  
(Ketchum URA/Ketchum CDC)

THIS OPTION TO LEASE (the "Agreement") is made and entered into this 18<sup>th</sup> ~~day of June 6<sup>th</sup> day of August,~~ 2012, by and between the KETCHUM URBAN RENEWAL AGENCY (KURA), an Idaho political subdivision and THE KETCHUM COMMUNITY DEVELOPMENT CORPORATION, an Idaho nonprofit corporation ("Contractor").

RECITALS

WHEREAS, the KURA is a political subdivision duly organized and existing under the laws of the State of Idaho; and

WHEREAS, the Contractor is an Idaho nonprofit corporation duly organized and existing under the laws of the State of Idaho; and

WHEREAS, pursuant to Idaho Code §50-2007, the KURA is empowered to enter into contracts as may be deemed necessary to promote the welfare of the City and its residents; and

WHEREAS, it is deemed in the best interest of the KURA to acquire, by contract, certain services to be performed by the Contractor; and

WHEREAS, the KURA is the owner of certain Real Property located at Lots 7 & 8, Block 19, Section 11, Township 4N Range 17 East, B.M., Blaine County Idaho, located at 211 East First Street, Ketchum; and

WHEREAS, the KURA desires to pursue long term use of this property for employee or community housing; and

WHEREAS, the KCDC, in conjunction with GMD Development, intends to make application to the Idaho Housing and Finance Association for tax credits in September 2012; and

WHEREAS, if awarded tax credits by the Idaho Housing and Finance Association, the KURA will accept a lease of ~~65~~ 99 years for the amount of \$1.00, to be paid by the Contractor; and,

WHEREAS, this Option to Lease expires on February 1, 2013.

NOW, THEREFORE, on the basis of the foregoing recitals, and upon motion duly passed by the KURA, the parties agree as follows:

1. Incorporation of Recitals. The Recitals set forth herein above are hereby incorporated into and made an integral part of this Agreement.

2. The Services. The Contractor shall pursue a tax credit housing project at 211 East First Street, including all necessary studies, architectural documents and other services as needed in order to make an application to the Idaho Housing Finance Association for a tax credit housing project (collectively, these studies are referred to as the "Services").

3. Negotiation Priority. As consideration for the performance of the Services, KURA shall grant a ~~65~~ 99 year lease for the amount of \$1.00 dollar for the Real Property to the Contractor. If the Contractor is successful in obtaining tax credits prior to the expiration of the term, the KURA shall negotiate in good faith a final lease agreement to lease 211 East First Street for the chosen use. KURA shall not negotiate with other parties during the term of this option to lease.

4. Time of Performance. Contractor shall provide the Services prior to February 1, 2013, beginning on the date this Agreement is signed. Contractor shall report to the City on the results of the feasibility studies and make recommendations as to how to proceed.

5. Independent Contractor. KURA and Contractor hereby agree that Contractor shall perform the Services exclusively as an independent contractor and not as employee or agent of KURA. The Parties do not intend to create through this Agreement any partnership, corporation, employer/employee relationship, joint venture or other business entity or relationship other than that of independent contractor. Contractor, its agents and employees shall not receive nor be entitled to any employment-related benefits from KURA including without limitation, workers compensation insurance, unemployment insurance, health insurance, retirement benefits or any benefit that KURA offers to its employees. Contractor shall be solely responsible for the payment of all payroll and withholding taxes for amounts paid to Contractor under this Agreement and for Contractor's payments for work performed under this Agreement by Contractor, its agents and employees; and Contractor hereby releases, holds harmless and agrees to indemnify KURA from and against any and all claims or penalties, including without limitation the 100% penalty, which in any manner relates to or arises from any failure to pay such payroll or withholding taxes.

6. Compliance With Laws/Public Records. Contractor, its agents and employees shall comply with all federal, state and local laws, rules and ordinances. This Agreement does not relieve Contractor of any obligation or responsibility imposed upon Contractor by law. Contractor hereby acknowledges that all writings and documents, including without limitation, email containing information relating to the conduct or administration of the public's business prepared by Contractor for KURA, regardless of physical form or characteristics, may be public records pursuant to Idaho Code Section 9-337 *et seq.* Contractor further acknowledges that subject to certain limitations, the public may examine and take a copy of all such public writings and records. Accordingly, Contractor shall maintain such writings and records in such a manner that they may be readily identified, retrieved and made available for such inspection and copying.

7. Notice. All notices, requests, demands or other communication required or provided for under this Agreement, other than instructions given by KURA pursuant to

Paragraph 2 herein above, shall be in writing. Notices to KURA and Contractor shall be addressed as follows:

**KETCHUM URBAN RENEWAL AGENCY: CONTRACTOR:**

KETCHUM URBAN RENEWAL  
AGENCY  
ATTN: COMM & ECON DEV DIR  
POST OFFICE BOX 2315  
KETCHUM, IDAHO 83340-2315

KETCHUM COMMUNITY  
DEVELOPMENT CORP.  
P.O. BOX 6452  
KETCHUM, ID 83340

8. Non-Assignment. Contractor hereby acknowledges that KURA has agreed to enter into this Agreement based in part on Contractor's unique skills and reputation for professional work. Accordingly, Contractor may not assign or transfer in any manner this Agreement or any of Contractor's right, title or interest in or to this Agreement without the prior written consent of KURA which may be withheld for any reason.

9. Amendments. This Agreement may only be changed, modified, or amended in writing executed by all parties.

10. Headings. The headings in the Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof.

11. Attorney Fees and Costs. In the event that either party hereto is required to retain the services of an attorney to enforce any of its rights hereunder, the non-prevailing party shall pay to the prevailing party all reasonable costs and attorney fees incurred in such enforcement, whether or not litigation has commenced and including reasonable costs and attorney fees on appeal.

12. No Presumption. No presumption shall exist in favor of or against any party to this Agreement as the result of the drafting and preparation of the document.

13. Governing Law. This Agreement shall be governed by the laws and decisions of the State of Idaho.

14. Entire Agreement. This Agreement contains the entire Agreement between the parties respecting the matters herein set forth and supersedes all prior Agreements between the parties hereto respecting such matter.

15. Execution and Fax Copies and Signatures. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. Authority. The parties executing this Agreement warrant, state, acknowledge and affirm that they have the authority to sign the same and to bind themselves to the terms contained herein.

IN WITNESS WHEREOF, the parties have signed this Agreement the day and year first above written.

KETCHUM, URBAN RENEWAL AGENCY,  
an Idaho political subdivision

KETCHUM COMMUNITY  
DEVELOPMENT CORPORATION,  
an Idaho nonprofit corporation

By: \_\_\_\_\_  
Mark Eshman, Chair

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Sandra E. Cady, CMC  
City Treasurer/Clerk





July 31, 2012

Lisa Horowitz  
Ketchum Urban Renewal Agency  
PO Box 2315  
Ketchum, ID 83340

**RE: Washington Place Lease Term**

Dear Lisa,

We appreciated KURA's support for the Washington Place development effort with their approval of the revised lease terms at their mid-June 2012 meeting. At that meeting the term of the lease was reduced from 99 years to 65 years. Since the meeting, in our efforts to seek additional funding for the transaction we have discussed the project with HOME Program staff at IHFA. HOME funds are a Federal source of funds for housing administered by IHFA and require a minimum 99 year lease term for leased land.

At this time the Washington Place proposal will need to apply for HOME funds and therefore we respectfully request reconsideration of the lease term back to 99 years.

We look forward to answering any questions regarding this at your meeting on August 6<sup>th</sup>, 2012.

Thank your for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gregory M. Dunfield".

Gregory M. Dunfield  
President/Owner



**SPECIAL MEETING OF THE KETCHUM  
URBAN RENEWAL AGENCY  
JULY 16, 2012**

This Special Meeting of the Ketchum Urban Renewal Agency was called to order by Chairman Mark Eshman at 5:15 p.m. at City Hall, Ketchum, Idaho.

**Commissioners present:** Chairman Mark Eshman  
Vice-Chairman Trish Wilson  
Commissioner Michael David  
Commissioner Randy Hall  
Commissioner Nina Jonas  
Commissioner Trina Peters  
Commissioner Jim Slanetz

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

**1. The meeting was called to order by Chairman Mark Eshman at 5:15 p.m.**

**2. Communications from the Board of Commissioners**  
There were no comments at this time.

**3. Comments from the Public**  
There were no comments from the public at this time.

**4. Consent Calendar**  
a. Approval of minutes from the June 18, 2012 URA Board meeting  
b. Recommendation to approve current bills  
Commissioner Trina Peters made a correction to the June 18 minutes.

Vice-Chairman Trish Wilson moved to accept the Consent Calendar for July 16, 2012, seconded by Commissioner Randy Hall. Motion carried unanimously.

**6. ADJOURNMENT**  
Commissioner Randy Hall moved to adjourn at 5:22 pm. Motion seconded by Commissioner Nina Jonas, and passed unanimously.

\_\_\_\_\_  
MARK ESHMAN,  
Chairman

ATTEST:

\_\_\_\_\_  
SANDRA E. CADY, CMC  
Secretary/Treasurer

## Report Criteria:

Invoices with totals above \$0 included.  
Paid and unpaid invoices included.  
[Report].GL Account Number = "9610000000"- "9844109930"

Vendor Name	Invoice Number	Description	Net Invoice Amount
<b>URBAN RENEWAL AGENCY</b>			
<b>98-3700-7000 MISCELLANEOUS REVENUE</b>			
CAIRDE GROUP	061812	Refund of PILT for 01/12 - 06/12	1,708.00
Total :			1,708.00
<b>URBAN RENEWAL EXPENDITURES</b>			
<b>98-4410-4200 PROFESSIONAL SERVICES</b>			
GRANT, SUZANNE	071612	URA Minutes 07/16/12	15.00
MOORE SMITH BUXTON & TUR	42929	1536-03 - General	414.30
MOORE SMITH BUXTON & TUR	42930	1536-26 - Urban Renewal Agency	1.86
MOUNTAIN DREAMWORKS	4188	Design Covers for Budgets	112.50
<b>98-4410-4900 PERSONNEL TRAINING/TRAVEL/MTG</b>			
ENOURATO, LISA	071912	Mileage for RAI	163.80
MARKS, GARY	071812	Travel Expenses	189.40
<b>98-4410-5100 TELEPHONE &amp; COMMUNICATIONS</b>			
SENTINEL FIRE & SECURITY, IN	160235	Quarterly Monitoring Fee	75.00
SYRINGA NETWORKS	12JUL0072	WR Community Wi-Fi	1,267.00
<b>98-4410-5910 REPAIR &amp; MAINT. - 491 SV RD</b>			
City of Ketchum	110911	Bond for Unfinished Exterior Improvements	7,500.00-
<b>98-4410-5930 REPAIR &amp; MAINT.-211 FIRST ST E</b>			
City of Ketchum	111411	Security Deposit for Dollhouse Demolition	9,000.00-
Total URBAN RENEWAL EXPENDITURES:			14,261.14-
Total URBAN RENEWAL AGENCY:			12,553.14-
Grand Totals:			12,553.14-