

Lisa Horowitz

From: S SLATTERY [skslattery90@msn.com]
Sent: Thursday, September 26, 2013 10:45 PM
To: Baird Gourlay; Michael David; Nina Jonas; Jim Slanetz; Lisa Horowitz; jon.duval@ketchumcdc.org; Stephanie Bonney (External)
Cc: benworst@cox.net; jim@usregroup.com
Subject: Affordable Housing/Higgins Lot

Mr Mayor, Members of the City Council and the URA, City Attorney:

I am one of the homeowners affected by the proposed development of the Higgins Lot in West Ketchum. I am writing to express my opposition to this project and especially the way in which the City Council handled notification and the subsequent legal process related to the proposed action. I live within 300 feet of the property in question and I was never notified of any plans or meetings regarding the planned project. Due process has not been served.

The lack of due process has hindered my legal right to voice an opinion regarding this project in a timely fashion. This has been done despite the fact that there are many valid legal and basic community issues present that make this proposed project a poor idea.

First, if this project is allowed to proceed, it can only be accomplished through illegal spot zoning. The land in question is currently zoned for low density residential and Tourist. Low density residential permits a maximum of 8 units in 4 buildings. My understanding is that the planned project will have 21-24 units on this same area. It is illegal to change zoning in one spot and should not be allowed. Zoning laws need to be reliable and consistent. If potential real estate investors know that Ketchum will change zoning illegally and on a whim, I doubt many will want to risk their money on our city. This is not the image we want to project to those interested in our town.

Second, because of the current zoning and buildings present in the area, the project is inconsistent with the surroundings and will stick out like a sore thumb. It will be almost 3 times the density of the surrounding neighborhood. The high density housing could easily add 30 or more cars to one short stretch of road, creating parking problems and heavy traffic in the area and near the bike trail. The Wood River Trail may be the most frequently used "recreational facility" in Ketchum. It is used heavily by local residents and visitors. It is currently a very aesthetically pleasing trail and runs right next to the proposed high density housing project. This project will have an immense visual impact on this stretch of the trail. It will also be potentially dangerous for our children biking along this section of trail if they have to dodge all the vehicles accessing the area. As you know, the Sun Valley Center for The Arts is intending to occupy a portion of the land to the south. This, by all appearances, will be a beautiful building and may include some retail space, etc. Once again, having a high density housing complex directly across the street from the arts center seems at odds with the plan for the area and will speak of poor urban planning if it were to go through.

Although the availability of affordable housing is important to the vitality and diversity of any community, it must be consistent with a long term urban plan and must follow the zoning laws that have been derived from a good, long term plan. The zoning laws cannot be ignored for expediency. Also, any planned new affordable housing should be built consistent with modern community housing concepts. This project does not follow these concepts. It creates a high density concentration rather than the more ideal low density dispersion

throughout the community. The proposed plan, rather than reducing blight, will likely have the effect of suppressing the value of the surrounding property which will lead to a lower tax base.

Because of these concerns and lack of notice, no decision regarding this project should be made at the public meeting in Ketchum this coming Monday night. A more open discussion with any interested parties in our town must be allowed before this proceeds any further behind closed doors.

Thank you for your concern. I look forward to hearing from you.

Sincerely,

Scott C. Slattery, MD

BENJAMIN W. WORST, P.C.
ATTORNEY AT LAW

371-A Walnut Avenue North
P. O. BOX 6962
Ketchum, Idaho 83340

benworst@cox.net
Tel. (208) 622-6699
Fax (208) 726-8116

September 8, 2013

**RE: 21-24 unit low-income rental housing project - entrance to West Ketchum
Public Meeting at 4:00 p.m. September 16, 2013, Ketchum City Hall**

Friends and Neighbors:

The Ketchum Urban Renewal Agency (the "URA") is attempting to build a low-income housing project consisting of 21 – 24 rental units on the half block of Second Avenue between Sixth Street and Seventh Street in Ketchum. This lot is just north across 6th Street from the large Simplot parcel across from the post office. You may know it by the dirt portion of the bike path which transects the lot. The lot is owned by Alex and Patricia Higgins (the "Higgins Lot".)

The zoning in the neighborhood and on this particular block is predominantly GR-L (General Residential – Low Density). GR-L allows for duplexes which on this much land would permit a maximum of eight (8) units in four buildings. The Higgins Lot has a small corner zoned T (Tourist) which probably accounts for less than 10% of the block. If permitted, the proposed project would be three times more dense than the surrounding neighborhood and therefore entirely incompatible with it. I have attached a site map and the Blaine County Assessor's information for reference.

The project will unfold in two phases. The first phase is a land exchange in which the URA intends to exchange a lot it currently owns at 211 East First Street (behind US Bank – this is the little red house formerly home to the Doll House adjacent to the parking lot behind Sushi on Second) (the "URA Lot") for the Higgins Lot. I am opposed to the exchange for the following reasons:

- Lost opportunity. The URA acquired the URA Lot late in 2006 for an amount in excess of \$2,000,000.00. The URA paid a premium, possibly 20% or more above fair market value, in order to combine the URA Lot with the City-owned parking lot adjacent to it. This acquisition gave the URA one half of an entire city block in a strategic location in the retail core. Ketchum's business community has repeatedly expressed the need for additional parking in the retail core. A parking garage and other uses to support the business community could be built on such a large consolidated lot. With more land, the URA can develop bigger, more creative projects. To dispose of the URA Lot now is to throw away the premium paid for the lot and to abandon the larger development opportunity.
- Must be equal value. Idaho Code Section 50-2011 prohibits the URA from disposing of the URA Lot for less than its fair value. The URA has not indicated whether it obtained an

appraisal or, if it has, whether that appraisal is based on the current property conditions. It is hard to believe that a half block zoned predominantly GR-L with the railroad right of way ("ROW") cutting through the middle of it is as valuable as a commercial lot in a prime downtown location. Moreover, the City of Ketchum, not the URA, has supposedly taken the position that *it* owns the railroad ROW. If this is true, the Higgins Lot actually consists of two lots – one small triangle of T zone which and a larger triangle of GR-L. In any event, there is no possibility that these two triangles combined equal the value of the URA Lot.

- May not be able to accommodate the proposed project. If the land exchange is completed and the URA is unable to build its 21 – 24 unit project on the Higgins Property, it will have traded a lot in the retail core with unlimited potential for a parcel with limitations. The proposed 21- 24 unit project could be prohibited for the following reasons:
 - Zoning. Current zoning will not allow 21-24 units on the Higgins Property. This requires that the property be up-zoned which probably amounts to illegal spot zoning as discussed below.
 - Rail Road ROW. When the Oregon Short Line Rail Road constructed the rail lines into Ketchum at the end of the 19th Century, it often did so by taking the land for its right of way under the General Rail Road Rights of Way Act of 1875, 43 USC §§ 934 *et seq.* (the "1875 Act"). The 1875 Act typically did not result in fee simple ownership, but something akin to a trust because the land was often taken from the property owners without their consent. If such land in the ROW is ever used for anything other than a railroad, the 1875 Act dictates that it revert to the heirs of the owner from whom it was taken. Without going into too much detail, the Federal Highway Act and the Rails to Trails Act permit the ROW to be used as a bike path and for public transportation, but little else. Housing will trigger the reversionary provisions of the 1875 Act. In most cases, the ROW does not revert to the current adjacent owners, but to the heirs of the original property owners from whom the land was taken. The reason is that the sales that took place after the construction of the railroad did not include the ROW. In short, there is a very real possibility that the Higgins do not own the portion of the Higgins Property transected by the railroad ROW. In the alternative, if, as the City of Ketchum supposedly asserts, the City of Ketchum owns the railroad ROW then the Higgins cannot convey that property to the URA which must deal with the City of Ketchum.
 - Title Insurance. Because of the railroad ROW issue, there is a real possibility that no title company will agree to issue a title policy insuring the Higgins Property. At the very least, the contemplated transaction must require standard title insurance insuring title to the Higgins Property without any exceptions other than the standard exceptions. Alternatively, the URA should require the Higgins to quiet title to the railroad ROW as a condition precedent to any land exchange contract.
 - Financing. Recently, the URA and ARCH have failed to secure financing for proposed projects often due to the cost of construction in the Wood River Valley. If the proposed trade is completed and the URA cannot secure financing, it will be stuck with the Higgins Lot and no project. Accordingly, the URA should be required to secure financing as a condition precedent to any land exchange contract.
 - Environmental Issues. I do not know first hand, but I have been told that the Higgins Property was the dump for both the Oregon Short Line Rail Road and the Union Pacific Rail Road. If true, the URA must obtain at least a phase one environmental assessment with clean results as a condition precedent to any land

- exchange contract.
- Illegal Contract Zoning. Supposedly the Higgins are negotiating to have the URA Lot, if they acquire it, be exempt from any affordable housing requirements. In general, one is allowed to build a certain ratio of land square footage to floor space known as Floor Area Ratio (FAR) without constructing any affordable housing. Developers are allowed to go to a higher FAR if they dedicate a portion of the increased square footage to affordable housing. The Higgins would be allowed to build the maximum FAR without constructing or donating any affordable housing. This is illegal zoning by contract, violates the equal protection guaranties of both the State and Federal Constitutions and inexplicably results in the City giving up affordable housing to which it would otherwise be entitled.
 - Statutory Limitations on Development of the URA Lot. Idaho Code Section 50-2011 states that one who acquires land from an urban renewal agency “shall be obligated to devote such real property only to uses specified in the urban renewal plan. . . .” Accordingly, if the Higgins acquire the URA Lot, they may only develop the land in accordance with the urban renewal plan ie. *affordable housing or public parking*. I have attached the relevant code section for reference.
 - Other better locations. The URA has not explained why it didn’t reach out to the owners of the Bavarian Village properties on Bird Drive. These properties already have similar high-density rental projects on them which are dilapidated and in need of replacement. There would be no need to make any changes to the existing zoning laws and there would be no net increase to the traffic, parking or density in the neighborhood. Two of the lots are even owned by the US Department of the Treasury which can actually give the lots to the URA or sell them at a substantially discounted rate for the development of low income housing.
 - Has the opposite effect of the stated purpose of the URA. Urban renewal agencies were first promoted by Robert Kennedy in the early 1960’s as a way to address urban decay and blight. The concept is a good one. The agency establishes an urban renewal area in need of re-construction. The tax base for the area is capped at its blighted value for the local government, any increase in tax revenue due to appreciation goes to the URA. The URA borrows money, acquires land and redevelops it eliminating the blight and causing the property values of the developed land and the surrounding neighborhoods appreciate leading to more revenue for the URA, more borrowing, more development and more appreciation. The proposed project will have the ironic effect of suppressing the values of the surrounding real property leading to a lower tax base.
 - Inconsistent with contemporary community housing concepts. The myriad local community housing advocates have all repeatedly emphasized the importance of integrating community housing throughout the community instead of concentrating and stigmatizing low-income workers in low-income projects. The proposed project isn’t Chicago’s Cabrini-Green project, but it does concentrate a whole lot of low-income workers and segregate them from the rest of the community.

The Second phase of the project will be the up-zone. This must be approved by the City of Ketchum after public hearing. If the Higgins Property is rezoned for this project, it will meet the text-book definition of illegal spot zoning:

- Illegal spot zoning. Spot zoning, “refers to a zone change that singles out a parcel of land for use inconsistent with the permitted use in the rest of the zoning district for the benefit of

an individual property owner. . . .” *Evans v. Teton County*, 139 Idaho 71, 73 P.3d. 84 (2003).

- Spot zoning is illegal because it is inconsistent with the surrounding uses. The proposed project will:
 - Create parking problems in the neighborhood. 24 units could easily add 30 cars or more to the neighborhood.
 - Create traffic problems.
 - Be almost three times the density of the surrounding neighborhood.
 - Have an immense visual impact.
- Zoning laws should be reliable. Most buyers, myself included, research the surrounding zoning before they purchase real property and buy in reliance that such zoning can be relied upon. Predictability and stability add value to land, unpredictability the opposite. Zoning may evolve over time, but basic zoning should not be overhauled for a particular owner to develop a specific project simply because the owner cannot afford to buy land in a zone where it could develop its project.

In addition to my substantive objections, I object to the process in which the URA has attempted to hide this project. Government is a spectator sport. The public must be informed and must be allowed to participate, nonetheless:

- If I hadn't stumbled into it, the URA would have approved the contract on September 3, 2013 without a single notice to the neighbors.
- URA agendas indicate that the URA has known about this specific exchange since at least July 15, 2013. Nonetheless, not a single agenda identifies the Higgins Property. This is not a situation where the location of the acquisition parcel must be hidden in order to prevent speculation.
- A simple search on the Blaine County GIS will generate a list of all property owners within 300 feet of the Higgins Property to allow for a mass mailing, yet this was never done.
- The agenda for the September 3, 2013 meeting did not include the contemplated exchange.
- The URA amended the agenda for the September 3, 2013 meeting with only three days notice over Labor Day weekend to include the cryptic reference to an exchange. I have attached the revised agenda. To demonstrate a pattern, I have also attached the revised agenda for the January 22, 2013 Ketchum City Council Agenda when, again on three days notice over a weekend, the City attempted to illegally give money to ARCH for a similarly incompatible housing project on Bird Drive.

The URA might argue that the process to date has been legal and this may be true. Nonetheless, the URA's failure to notify or include the neighbors is not best practices. Best practices dictate that the public should be informed of and allowed to participate in the public's business, especially in this case where the impact on the neighbors' property values and quality of life could be severe. Transparency is good for government.

The URA has not disclosed the land exchange contract to the public. At a minimum, it must have the following contingencies:

- The up-zone must be approved.
- A preliminary title insurance commitment insuring title to the railroad ROW without exception must be issued.

- The Higgins must either prove that they own the railroad ROW in fee simple or quiet title to it. If the City of Ketchum owns the railroad ROW, it should state so publicly, prove its ownership or quiet title to the land and the appraisal should be adjusted accordingly. Why should the URA bear this expense and risk?
- The appraisal must clarify whether it is based on the Higgins' ownership of the entire parcel or the parcel less the railroad ROW.
- The URA must complete a phase one environmental assessment confirming that there are no environmental hazards on the Higgins Property.
- The URA must secure financing for the proposed project.
- The Higgins and their successors in interest must be required to develop the URA Lot in compliance with the URA plan as mandated by Idaho Code Section 50-2011 (either affordable housing or public parking.)

If you are as concerned about this project as I am, please contact the URA board members immediately. Do not wait for the meeting.

Chairman Mark Eshman
Vice Chairman Trish Wilson
Commissioner Michael David
Commissioner Tim Eagan
Commissioner Randy Hall
Commissioner Trina Peters
Commissioner Jim Slanetz

Additionally, please plan to attend the meeting at Ketchum City Hall at 4:00 p.m. on September 16, 2013. If you cannot attend, please email your public comments to <http://ketchumura.org/contact/> and ask the URA to make your correspondence part of the public record.


Thank you.

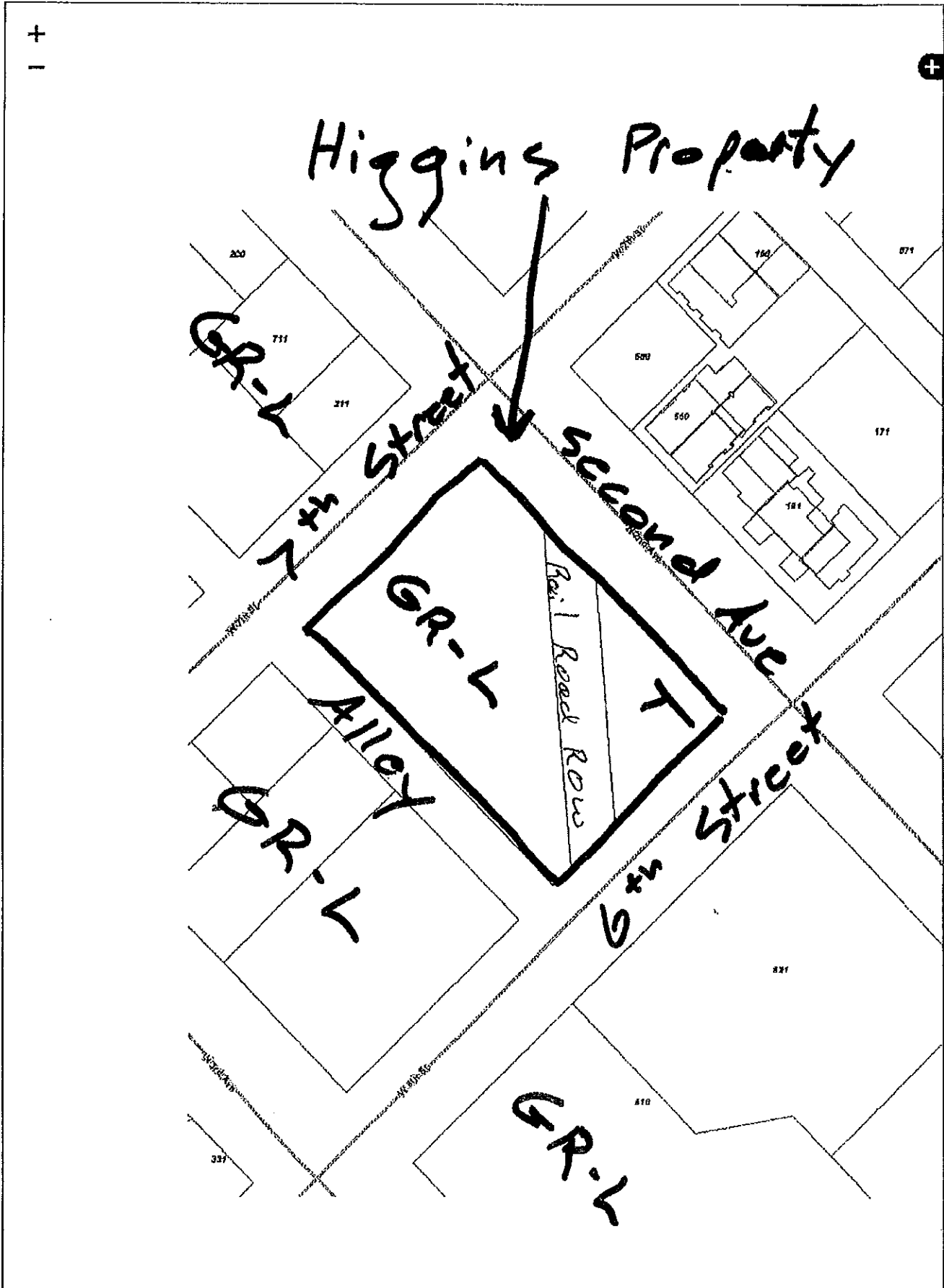
Sincerely,

BENJAMIN W. WORST, P.C.
Attorney At Law

By: 
Benjamin W. Worst

enclosures

Choose Location to Zoom to 



Assessor's Information for Parcel Number:RPK0000067001C

Parcel Number	RPK0000067001C
Owner	HIGGINS ALEX HIGGINS PATRICIA
Address	
Legal Description	KETCHUM LOT 1,2,3,4, BLK 67 PLUS W 35' & E35' OF RAILROAD
Mailing Address	BOX 552 KETCHUM ID 83340-0000
Acres	0.634
Land Value	\$830,250
Farm Value	\$0
Commercial Value	\$0
Residential Value	\$0
Manufactured Value	\$0
Personal Property Value	\$0
Market Value	\$830,250
Home Owner Exemption	\$0
Taxable Value	\$830,250
Sketch	N/A



Idaho Statutes

TITLE 50 MUNICIPAL CORPORATIONS

CHAPTER 20 URBAN RENEWAL LAW

50-2011. DISPOSAL OF PROPERTY IN URBAN RENEWAL AREA. (a) An urban renewal agency may sell, lease, or otherwise transfer real property or any interest therein acquired by it for an urban renewal project, and may enter into contracts with respect thereto, in an urban renewal area for residential, recreational, commercial, industrial, educational or other uses or for public use, or may retain such property or interest for public use, in accordance with the urban renewal plan, subject to such covenants, conditions and restrictions, including covenants running with the land, as it may deem to be necessary or desirable to assist in preventing the development or spread of future slums or blighted areas or to otherwise carry out the purposes of this act: Provided, that such sale, lease, other transfer, or retention, and any agreement relating thereto, may be made only after the approval of the urban renewal plan by the local governing body. The purchasers or lessees and their successors and assigns shall be obligated to devote such real property only to the uses specified in the urban renewal plan, and may be obligated to comply with such other requirements as the urban renewal agency may determine to be in the public interest, including the obligation to begin within a reasonable time any improvements on such real property required by the urban renewal plan. Such real property or interest shall be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan except property disposed of by it to the community or any other public body which property must be disposed of pursuant to the provisions of subsection (f) of section 50-2015, Idaho Code, even though such fair value may be less than the cost of acquiring and preparing the property for redevelopment. In determining the fair value of real property for uses in accordance with the urban renewal plan, an urban renewal agency shall take into account and give consideration to the uses provided in such plan; the restrictions upon, and the covenants, conditions and obligations assumed by the purchaser or lessee or by the urban renewal agency retaining the property; and the objectives of such plan for the prevention of the recurrence of slum or blighted areas. The urban renewal agency in any instrument of conveyance to a private purchaser or lessee may provide that such purchaser or lessee shall be without power to sell, lease or otherwise transfer the real property without the prior written consent of the urban renewal agency until he has completed the construction of any or all improvements which he has obligated himself to construct thereon. Real property acquired by an urban renewal agency which, in accordance with the provisions of the urban renewal plan, is to be transferred, shall be transferred as rapidly as feasible in the public interest consistent with the carrying out of the provisions of the urban renewal plan. Any contract for such transfer and the urban renewal plan (or such part or parts of such contract or plan as the urban renewal agency may determine) may be recorded in the land records of the county in such manner as to

afford actual or constructive notice thereof.

(b) An urban renewal agency may dispose of real property in an urban renewal area to private persons only under such reasonable competitive bidding procedures as it shall prescribe or as hereinafter provided in this subsection. An urban renewal agency may, by public notice by publication in a newspaper having a general circulation in the community (thirty (30) days prior to the execution of any contract to sell, lease or otherwise transfer real property and prior to the delivery of any instrument of conveyance with respect thereto under the provisions of this section) invite proposals from and make available all pertinent information to private redevelopers or any persons interested in undertaking to redevelop or rehabilitate an urban renewal area, or any part thereof. Such notice shall identify the area, or portion thereof, and shall state that proposals shall be made by those interested within thirty (30) days after the date of publication of said notice, and that such further information as is available may be obtained at such office as shall be designated in said notice. The urban renewal agency shall consider all such redevelopment of rehabilitation proposals and the financial and legal ability of the persons making such proposals to carry them out, and may negotiate with any persons for proposals for the purchase, lease or other transfer of any real property acquired by the agency in the urban renewal area. The urban renewal agency may accept such proposal as it deems to be in the public interest and in furtherance of the purposes of this act. The agency may execute such contract in accordance with the provisions of subsection (a) and deliver deeds, leases and other instruments and take all steps necessary to effectuate such contract.

(c) An urban renewal agency may temporarily operate and maintain real property acquired by it in an urban renewal area for or in connection with an urban renewal project pending the disposition of the property as authorized in this act, without regard to the provisions of subsection (a) above, for such uses and purposes as may be deemed desirable even though not in conformity with the urban renewal plan.

(d) Any real property acquired pursuant to section 50-2007(d) may be disposed of without regard to other provisions of this section if the local governing body has consented to the disposal.

(e) Notwithstanding any other provisions of this act, and notwithstanding subsection (b) of this section, land in an urban renewal project area designated under the urban renewal plan for industrial or commercial uses may be disposed of to any public body or nonprofit corporation for subsequent disposition as promptly as practicable by the public body or corporation for redevelopment in accordance with the urban renewal plan, and only the purchaser from or lessee of the public body or corporation, and their assignees, shall be required to assume the obligation of beginning the building of improvements within a reasonable time. Any disposition of land to a nonprofit corporation under this subsection shall be made at its fair value for uses in accordance with the urban renewal plan. Any disposition of land to a public body under this subsection shall be made pursuant to the provisions of subsection (f) of section 50-2015, Idaho Code.

(f) Property previously acquired or acquired by an agency for rehabilitation and resale shall be offered for disposition within three (3) years after completion of rehabilitation, or an annual report shall be published by the agency in a newspaper of general circulation published in the community listing any rehabilitated property held by the agency in excess of such three (3) year period, stating the reasons such property remains unsold and indicating plans for its disposition.

****REVISED****

KETCHUM URBAN RENEWAL BOARD MEETING CALENDAR

Tuesday, September 3, 2013, beginning at 4:45 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. PUBLIC HEARINGS.
 - a) Resolution 13-URA6: Adopting the FY2013-14 Budget - Gary Marks, Executive Director.
5. CONSENT CALENDAR.
 - a) Approval of minutes from the August 5, 2013 URA Board meeting.
 - b) Recommendation to approve current bills.
6. **COMMUNICATIONS FROM STAFF**
 - a) **Possible Consideration of a Purchase and Sale Agreement regarding a Land Exchange of property owned by the Urban Renewal Agency located at 211 E First Street, Ketchum, Idaho.**
Note: Pursuant to Idaho Code, this item will be considered in an Executive Session. If the Urban Renewal Board determines that they wish to enter into a Purchase and Sale Agreement, then this agenda item will be discussed in open session.
7. EXECUTIVE SESSION to discuss personnel, litigation and land acquisition pursuant to Idaho Code §§67-2345 1(a) (b), (c) and (f).
8. 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.

Revised 3 days
in advance.

From: Jim McDermott [<mailto:jim@usregroup.com>]
Sent: Wednesday, September 25, 2013 1:03 PM
To: bgourlay@ketchumidaho.org; bgourlay@ketchumidaho.org;
mdavid@ketchumidaho.org; njonas@ketchumidaho.org; jslanetz@ketchumidaho.org
Cc: 'benworst@cox.net'
Subject: Affordable Housing / Higgins Lot

Mr. Mayor and Members of the City Council,

I'm writing to express my strong support for Mr. Worst's letter dated September 8, 2013 regarding the questions and objections raised to the Ketchum Urban Renewal Agency's town meeting on September 16, 2013.

As the chairman of the Westview Terraces Homeowner's Board (191 West Sixth Street), I represent seven unit owners who are located directly across the street from the Higgins Lot and are likely the most affected by the proposed development of any adjacent owners. I want to voice my strong objection to the way in which the City Council handled notification and subsequent legal process related to the proposed action of the Higgins Lot. In addition to agreeing with many of Mr. Worst's legal and community-based arguments, due process has been served. No one in our building was notified on the proposed meeting or action and we are certainly within 300 feet of the Higgins Lot.

As a result of this, I look forward to hearing from the Mayor and members of the council a detailed articulation of (1) why the City thinks the proposed swap land is in the best interest of Ketchum, (2) why Ketchum is best served by doing a below market deal and legal basis for this thinking, (3) why the URA believes it can obtain financing for such a project and (4) why the process of notifying affects neighbors was not done according to the law.

In closing, as a former municipal bond banker and a veteran of many public financings, I have some serious questions about the way in which the process has been conducted to date and the viability of such a project given the state of the public financing markets. In addition, I am feeling side swiped by the whole affair. I literally found out about this meeting two hours ago. While it would be sad for this to devolve into legal proceedings, right now it seems there has been very little regard for due process (notification etc.) and that is something I cannot let go unaddressed.

I look forward to hearing from you.

Regards,

Jim

Jim McDermott
Managing Partner
www.usregroup.com
http://about.me/jim_mcdermott
<http://www.linkedin.com/pub/jim-mcdermott/8/614/962>
(o) +1 310-586-3910

September 11, 2013

To:

Ketchum Urban Renewal Agency (KURA)
480 East Avenue, North,
Ketchum ID 83340

Attn:

Board Members
Friends and Neighbors

From:

Douglas A. and Patricia A. Kaiser
Who own and occupy a single family residence located at:
631A No. Third Ave.
PO Box 952
Ketchum, ID 83340

Sent via:

e-mail: ketchumura.org/contact/
paper copy to address above

*HAND DELIVERED
9-12-13*

Re: Proposed plan to exchange a lot located at 211 East First Street (Ketchum) (the "211 Parcel") acquired by the KURA in September 2007 for a parcel or parcels of raw land lying west of Second Avenue, north of Sixth and south of Seventh Streets (Ketchum) purportedly owned by Alex and Patricia Higgins (the "Higgins Lot"). The Higgins Lot is zoned General Residential – Low Density i.e. duplex zoned allowing up to eight units on the Lot. Insurable Title to Higgins may be tainted by a Rail Road Right of Way. A former unregulated garbage/waste disposal site may have been located on the Parcel. The proposed exchange contemplates up-zoning of the Higgins Lot to low income housing with a build-out of 21 to 24 units.

Board members, friends and neighbors:

Our interest and concerns in connection with the proposed exchange:

My wife and I, both life-time Kirkland Washington residents recently retired from our careers. We're not kids any more but are in decent shape and active. Annual winter and summer visits to Ketchum/Sun Valley dating to the late 1970's resulted in a love affair with the Wood River Valley. It has long been our intent that upon retirement we would relocate to a small, well-run community, one blessed with a favorable climate and an environment conducive to an open ended range of activities – physical and social. Ketchum meets all the criteria. Our son, daughter in-law and two grand daughters are Ketchum residents and interested parties as well.

We purchased the 631 property in May 2003. The convenient location, proximity to Hemingway School (grand-daughters and traffic controls by virtue of the school), the bike path, low density zoning, quality renovations and new construction led us to the weighty decision to roll the dice and buy the property. Not being independently wealthy we rented-out the 631 property until May of this year. We now occupy 631 No Third

Ave. and are preparing our Kirkland residence for sale. Since May we have invested thousands of dollars with local businesses in an endeavor to up-grade the residence. We intend to engage a local architect to begin an overall renovation which will be accomplished with local contractors.

Are we making an irreversible financial mistake?

Comes now the wild card property exchange:

Low income housing concentrations, the "spot," up-zoning from eight to twenty four units proposed by the KURA, the unknowable but in all probability negative quality of life impacts cause us a level of concern that may negate our relocation plan. The KURA may not care – we do! 631 A is intended to be our retirement nest-egg. The KURA may be empowered to alter our fate and that of our neighbors but we believe there is sufficient value in the status quo to fight the fight and defeat this meritless exchange.

The federal government is often criticized, and rightfully so, by businesses and individuals for a Federal Income Tax Code and Regulations that defy logic but more importantly are inconsistent and unpredictable. What the KURA is proposing may even be precedential leading to unknown and unanticipated negative consequences including a patchwork quilt of silly rezones and incompatible developments.

We hope the KURA will reconsider the costs and consequences and void the proposed exchange. The community at large will thank you for that.

Statements that we believe to be reasonably accurate derived from informal conversations and correspondence:

- 1: The KURA's "all-in" investment to date in the 211 Parcel approximates \$3.0 million dollars.
- 2: The assessed value of Higgins \$830,000.
- 3: Wind-fall profit to Higgins – taxpayers step-up again?
- 4: Fiscal irresponsibility – The "public" has granted the KURA the authority to invest \$3.0 million from *the City of Ketchum restricted in Lieu Affordable Housing Fund* to purchase the 211 Parcel – which the KURA did. Presumably the purchase was well considered, debated as to merits, risks and rewards and the likelihood of an Affordable Housing development. Why the well considered, thoroughly debated plan failed - I do not know.
- 5: The Exchange is an ill-considered knee-jerk effort to correct a mistake.
- 6: Should the Exchange occur, the KURA surely will incur an additional \$250,000 to \$500,000 in costs before construction can begin. If \$3.5 million is about right, the unit land cost of 21 units = \$167,000; 24 units = \$146,000! That's before land improvements, utilities and construction. A calculation of monthly rentals based on total cost – adding in utilities, maintenance, insurance, taxes, and wear and tear on the units cannot result in "affordable" rents. The economics fail.
- 7: There is no real urgency! The real estate market seems to be improving. The 211 Parcel – if not developable as contemplated should be sold in due course. Affordable housing can wait – particularly in this economy.

8: Beyond fundamental economics and mis-application of the "Public's" money are issues:

- a. Traffic impacts – pedestrians, cyclists, grade school students, autos and trucks – commercial and private. Consider parking. Consider the pump park. Consider after school sports and activities.
- b. Value impacts – sure it sounds like a NIMBY argument – to some extent it is. However Low Income Housing (Affordable Housing) just will NOT add value. Since 631 is our nest-egg – the proposal unless defeated will probably encourage us to reconsider – as difficult as that might be. You may say – big deal – let 'em go. Well it is a big deal to us. We've invested a lot of time, emotion and hard earned money in our decision. We'd like to defeat the KURA's ability to impact our plans as proposed.
- c. We feel that the KURA's primary and narrowly defined charge is to act reasonably and responsibly representing the people who already own real property in Ketchum as well as those living in Ketchum. If the KURA proceeds with the exchange we believe they will have failed in that primary responsibility.

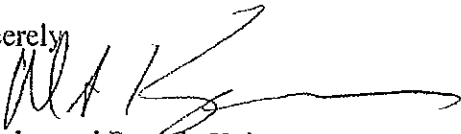
Accountability: In business if you screw up you go broke. If you're an employee and you screw up – odds are you'll get fired, demoted or chastised.

We don't know who or why the 211 Parcel was acquired or why its promise didn't materialize. Poorly considered in the first place? Local political pressure killed the concept with the result that – let's put it in Doug and Pat's back yard – they'll never know and they're powerless. Well – maybe not. Somebody screwed up. It is not the KURA's right to transfer the error to our neighborhood.

Unfortunately we need to return to Seattle for a week and will not be present at the September 16, 2013 hearing.

We hereby request that this letter be read into the record at the hearing or at a minimum made a part of the public record. Please confirm receipt by e-mail to: sailsolitude@msn.com.

Sincerely



Douglas and Patricia Kaiser