



Regular Meeting

~ Minutes ~

Monday, March 16, 2015

3:00 PM

Ketchum City Hall

Present: Chairman Baird Gourlay
Vice Chairman Tim Eagan
Commissioner Gary Lipton
Commissioner Jim Slanetz
Commissioner Mark Nieves
Commissioner Anne Corrock
Commissioner Shelley Siebel

Also Present: Micah Austin, Director of Planning and Building
Suzanne Frick, Executive Director
Ryan Armbruster, KURA Attorney

1. CALL TO ORDER

Chairman Baird Gourlay called the meeting to order at 3:07 p.m.

Chairman Baird Gourlay motioned to amend the agenda to add item 6d a discussion of a lot line shift of the Starbucks property at 491 Sun Valley Road.

Vice Chairman Tim Eagan seconded, the motion passed unanimously.

Ryan Armbruster, KURA Attorney, stated the reason it was not on the agenda is the issue just emerged.

2. CONSENT CALENDAR

a. Approval of Current Bills

Motion to approve the consent calendar.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Tim Eagan, Commissioner
SECONDER:	Jim Slanetz, Commissioner
AYES:	Eagan, Lipton, Nieves, Siebel, Corrock, Gourlay, Slanetz

3. COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS.

Commissioner Anne Corrock requested a review of the budget, and an update on the board contact information.

Commissioner Tim Eagan would like commissioners involved in an oversight of how money is spent and when. Commissioner Baird Gourlay directed staff come back with a suggestion.

Commissioner Gary Lipton commented that he would like to present at a future meeting on a Wood River Valley Skateboard Weekend.

4. COMMUNICATIONS FROM THE PUBLIC**a. Request from the KCDC for Funding a Feasibility Study for a Parking Garage and Community Housing on the City-Owned Lot Located at Leadville and 6th Avenue – Jon Duval, KCDC Executive Director.**

Micah Austin, Planning and Building Director, presented the request, includes the new application. Jon Duval was able to provide the requested materials. The KCDC is proposing a housing and parking project at the Leadville and 6th location. They are requesting funds for evaluating if this is a feasible project. This lot is owned by the City, not the KURA.

Chairman Baird Gourlay clarified that this project may be similar to the YMCA where the property could be leased for 99 years or something like that. Micah Austin clarified that the city could lease it.

Suzanne Frick, Executive Director, clarified that this would have to consider who they are entering into a lease with.

Commissioner Anne Corrock clarified that the application does not include the estimated total cost of the project.

Micah Austin clarified that the request is for \$90,000. Some of the items on this request are things the KURA cannot fund, but they can fund a feasibility study on the lot.

Jon Duval, Executive Director for the KCDC, presented the proposal for the feasibility study and what the study would include, and how housing could be provided on that site. Jon Duval went over the history of the site and the CDC work on housing. The current zoning requires some retail on the site. The 6th and Leadville site is looking more feasible then it did in the past. Greg Dumfield, GMD Development, will be working on the project with the KCDC. They partner with nonprofits to bring affordable housing projects to fruition.

Chairman Baird Gourlay asked for clarification on if they can pay for the architectural preliminary planning and design. Ryan Armbruster, KURA Attorney, clarified that he's not sure why they would commit to that at this time, since the study has not been done yet.

Jon Duval clarified that there are concept drawings that could help determine what kind of units could be done on the site that would require the use of an architect.

Suzanne Frick, Executive Director, commented that Phil Kushlan recently did a similar study at the Dollhouse site, which cost \$5,200. Architectural plans may not be needed at this time.

Chairman Baird Gourlay will not be putting this to a vote, because he wants clarification of if the KURA could use the property with the city.

Commissioner Gary Lipton requested information regarding the line of ownership if the project moves forward.

Jon Duval commented that it will require a long term lease to the CDC from the city or the URA as required by IHFA. They would be a co-owner of the project for 15 years with the tax credit investor. After 15 years the CDC is the sole owner of the project, there is a 42 year life span of the project, at which time the entire project would revert back to the city. Commissioner Gary Lipton clarified that these are required terms.

Commissioner Shelley Siebel clarified what would happen in each phase. Phase 1 would rule out whether the project is feasible or not.

Commissioner Jim Slanetz commented that this is a lot of money just to test it out.

Jon Duval commented that it would facilitate housing moving forward. There is pro bono work that has already been done by the CDC and Greg Dumfield.

Vice-Chairman Tim Eagan asked if this would be a for profit venture at some point for the developers.

Jon Duval commented that there are development fees if they go through the tax credit program.

Vice-Chairman Tim Eagan requested clarification on the due diligence if this was not a government owned property.

Jon Duval clarified that these are done throughout the state and the northwest you have to have a nonprofit partner for the IHFA for the tax credit program.

Vice Chairman Tim Eagan is not sure this is much different than the study that was done on the Dollhouse lot, could Phil Kushlan also look into this property.

Suzanne Frick commented that the KURA has only used \$5,200 of the \$10,000 contract with Phil Kushlan.

Chairman Baird Gourlay commented that this project is different in that it would not require any underground, and the tax credit changes the scenario. He suggested that they provide the tax credit information and the Northwood Place executive summary to the KURA Board.

Vice Chairman Tim Eagan commented that if the KURA fronts the money, he is okay with it as long as the money is refunded back to the KURA.

Commissioner Anne Corrock commented on the land being owned by the city and not the KURA. Jon Duval clarified that it is part of the mission of the KURA to facilitate affordable housing as a funding mechanism.

Commissioner Mark Nieves commented on the high amount, requested the two phases be broken out. Asked about GMD , and if they needed to go through ~~and~~ a RFP process.

Ryan Armbruster commented that the KURA does not own the property, and are not involved in the disposition process. If the KURA owned the property they would need to go through a disposition process. It can be more easily achieved if done through a non-profit.

Chairman Baird Gourlay requested staff determine how this property would be utilized with the City, and requested that Jon Duval bring a phase one and phase two cost to the board.

Chairman Gourlay suggested that the board utilize the credit with Phil Kushlan for phase one of the study. Commissioner Baird Gouraly requested staff get a bid from Phil Kushlan for the work.

Chairman Baird Gourlay reiterated that it is a part of the mission of the board to look at all housing options.

Micah Austin, Planning and Building Director, went over what the KURA board can and cannot fund for community housing. The URA can fund land, site preparation, and can pay for public parking improvements, they cannot fund actual housing units above ground.

5. COMMUNICATIONS FROM STAFF

a. 2014 URA Annual Report Approval – Sandra Cady, Treasurer.

Sandra Cady, Treasurer, presented the 2014 URA Annual report. The Annual report summarizes the projects. 211 East First Street, 491 Sun Valley Road, the revenue allocation refunding bonds, and other items brought before the KURA.

Commissioner Tim Eagan clarified that the city of Ketchum is the ultimate reader of this report.

Commissioner Anne Corrock appreciated the simplicity of the report. The free wi-fi should be under digital signage, and the Windermere lease should go under building lease.

Chairman Baird Gourlay opened the public hearing.

There was no public comment.

Motion to approve the 2014 URA Annual Report.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Tim Eagan, Commissioner
SECONDER:	Mark Nieves, Commissioner
AYES:	Eagan, Lipton, Nieves, Siebel, Corrock, Gourlay, Slanetz

b. Presentation on the Stewardship of Tax Payer Funds and Responsible URA Expenses – Ryan Armbruster, KURA Attorney.

Ryan Armbruster, KURA Attorney, went over appropriate and inappropriate activities of the URA. Anything the board is thinking of doing should be compared to the plan that has been approved. The board should look at things as what they achieve for an overall public purpose. The constitutional prohibition prevents granting, lending or partnering with a private entity using public funds. Prevents true ownership with a private entity, with non-profits can allow for more, public entities there is a wider variety of discretion and flexibility, working with the city, transit authority, IHFA, etc.. Should be aware of public bidding requirements, a formal process may be required. Transparency and accountability are important to avoid changes to the legislation. Conflict of interest issues - should be on guard against conflicts. Major objectives are two fold: remediating a deteriorating area, and/or achieving economic investment for the geographic area the URA is responsible for. Parking issues can be an issue, it must be public parking. Funds generated within the geographic area, need to stay there within the geographic area. The other objective is that an URA should get in do its business and get out.

Vice Chairman Tim Eagan asked about the presentation made by the CDC.

Ryan Armbruster said they are authorized to participate in the study, engaging Phil Kushlan is an appropriate use of funds. The proposed project does raise questions.

Chairman Baird Gourlay asked about the project retaining Greg Dumfield, is that allowed as long as he is hired by the CDC.

Ryan Armbruster said that would need to be addressed if it was the KURA property.

Ryan Armbruster clarified that the kind of housing the board can participate in needs to be analyzed case by case and project by project. The board cannot fund the bricks and mortar of the structure. Participate of remediation of the land itself, upgrade public utilities for the site, anything in the right-of-way including landscaping and streetscaping, may be able to participate in parking needs for the project.

Vice Chairman Tim Eagan suggested the guidelines be made public. Micah Austin, Director of Planning and Building, clarified that he does go through the guidelines with applicants. Chairman Baird Gourlay suggested that something go into the newsletter for URA guidelines. Commissioner Anne Corrock suggested it be part of the application.

c. Discussion and Update on Marketing Brochures and Revision of a Marketing Video Funded by the KURA – Micah Austin, Director of Planning and Building & Lisa Enourato, Assistant to the Executive Director.

Micah Austin, Director of Planning and Building, stated that the KURA funded a marketing brochure and a video. There were some requested changes. At the time the proposed cost was \$2,500 to make the necessary revisions. Additional local business could be included in the video.

Lisa Carton commented that first video was made in two days, agrees that adding additional companies and the school district is a good idea.

Chairman Baird Gourlay commented the question of if they want to move forward with this to attract new business, and what business should be identified and highlighted.

Commissioner Gary Lipton commented that the video should be changed and include new characters and lengthen the video for display at the visitor center. Commissioner Lipton likes the list, and suggested an art gallery be included, schools, and the parks. Commissioner Baird Gourlay suggested including the Gallery Walk.

Commissioner Shelley Siebel asked about the distribution method for the video. Lisa Carton commented that it was originally done to retain a company from departing, and is now to be used as a general marketing piece. Commissioner Baird Gourlay suggested Lisa Carton speak with Harry Griffith regarding tax credits.

Commissioner Shelley Siebel asked if the \$2,500 was still feasible to redo the video. Lisa Carton said the cost may increase due to the large amount of additions.

Commissioner Jim Slanetz suggested staying away from the negative flight information, instead focus on the flight access. Lisa Carton offered to include more flight information. Chairman Baird Gourlay suggested Carol Waller of the Fly Sun Valley Alliance as a resource.

Nina Jonas, Mayor of Ketchum, requested they have a specific time and a clear audience for the video.

Chairman Baird Gourlay commented that MRG's may be important to businesses trying to getting employees in and out of here.

Vice Chairman Tim Eagan agreed that they should take a step back and do it right. The board should come up with some reasonable parameters in order to direct staff.

Lisa Enourato, Assistant to the Executive Director, commented that Harry Griffith is using the video for marketing the area, and it could go into the visitor center, on the websites.

Chairman Baird Gourlay suggested they get together in a smaller group. Chairman Baird Gourlay recommended a committee of Mayor Nina Jonas, Lisa Carton, Lisa Enourato, Harry Griffith, Chairman Baird Gourlay and Commissioner Mark Nieves.

d. Discussion of Draft RFP for a Marketing Sales Firm to Manage the Digital Advertising Project at the Visitor's Center – Micah Austin, Director of Planning and Building.

Micah Austin, Director of Planning and Building, provided the RFP to the commission. This RFP outlines what they are looking for in a sales and marketing contract.

Commissioner Gary Lipton asked if they should eliminate any renters of the screen from responding to this.

Chairman Baird Gourlay suggested that it be the board's responsibility to make sure there is not a conflict of interest.

Motion to approve the RFP for a Marketing Sales Firm to Manage the Digital Advertising Project.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Tim Eagan, Commissioner
SECONDER:	Gary Lipton, Commissioner
AYES:	Eagan, Lipton, Nieves, Siebel, Corrock, Gourlay, Slanetz

e. Discussion of Request from the Ketchum City Council for Repayment of the Community Housing Funds used to Purchase Real Property Currently Owned by the KURA – Micah Austin, Director of Building and Planning.

Micah Austin, Director of Planning and Building, went over the history of the purchase of the Washington and 1st site. The funds that were used to purchase the site were affordable housing in-lieu funds, which dedicated the property for a community housing project. The City Council made two suggestions to the KURA; one was to pay the money back, 1.4 million, and the second was to lift the encumbrance on the lot for community housing. The Kushlan report showed that community housing on that site is not feasible in the near future. Should the URA pay the 1.4 back, and should the encumbrance on the lot be removed. There is currently money in the budget to set up a repayment plan to the city of Ketchum.

Chairman Baird Gourlay suggested the City Council members limit discussion to purely URA.

Commissioner Gary Lipton commented on the obligation to the city versus the obligation to housing. Does the obligation for housing go away as soon as they make a deal to pay back the city, or does it have to be paid back in full. Micah Austin commented that it is up to the Board, the obligation on the property was a board decision. If they wanted to lift that at this time, they could, but the idea is that the only reason they got the money was for affordable housing.

Commissioner Gary Lipton, asked if the value of the property has dropped in value, do they discount the city's note.

Commissioner Anne Corrock clarified that the money was transferred from the city's in-lieu housing fund to the URA. She does not think they should discount the money.

Commissioner Gary Lipton asked what if the URA just gives the title for the property to the City.

Commissioner Anne Corrock clarified that there is no timeline, so as long as it is tied up in a property, there is not an obligation to pay it back.

Commissioner Gary Lipton commented that they could make an effort and start paying the city back, but he is not in agreement on the whole figure.

Ryan Armbruster, KURA Attorney, said that the URA owes the City money. How the URA goes about it is to be determined. They may be able to negotiate the amount, or another way to come up with a payment.

Commissioner Tim Eagan commented that they give the city the deed to the property and call it good.

Commissioner Mark Nieves commented that if affordable housing was the motive then our hands are tied, and he agrees with Commissioner Eagan and Commissioner Lipton.

Suzanne clarified that the 1st installment was to purchase the visitor center property, and that equity was transferred to the dollhouse site. Another loan was made to purchase the dollhouse site. The URA made the decision to encumber the dollhouse site with the 1.4 million of affordable housing, it was not necessary obligated to the value of the property.

Gary clarified that it is an 11,000 square foot lot, and felt the city could sell it for more than the 1.4 million

Phylis Shafran clarified that it wasn't only the 1.4 million that was paid for the property. The property was about 2.5 million. The bonds that are being paid were in part for the Washington Avenue piece of property. They should sell it, and then pay back the city, not just give the property to the city.

Chairman Baird Gourlay clarified what the city is looking for is recognition that the URA owes them money and is determined to pay the money back.

Chairman Baird Gourlay commented that giving the property to the city for this debt would be short sighted on the part of the KURA. They may want to negotiate with the city for instance, the Starbucks property, and the property next to the site is going to become more valuable.

Commissioner Gary Lipton asked if the City Council members will recuse themselves from the vote, due to the duality of the board members

Ryan Armbruster stated that they are qualified board members. He said they are not disqualified from voting when the issue comes up. If there personal bias and they don't want to that is fine.

Chairman Baird Gourlay would like to report back to the city council that they know they have an obligation and they may come up with some form of repayment. The disposal of some of their properties, may change the amount of money, or the value of the property, they can have that presented to the city council, and have the council come back with a repayment plan, or have negotiations with the board.

Commissioner Anne Corrock commented that she would like to base the payment back on the sale of those properties. The first obligation is to pay back the city.

Commissioner Jim Slanetz clarified that the money was a loan, and the decision was made to purchase the property.

Jim Plumason commented on the evaluation of the amount owed according to the value of the property.

Phylis Shafran commented on the footnote in the financials.

Chairman Baird Gourlay tabled the discussion.

f. Discussion of City Facilities Spatial Analysis Study

Suzanne Frick, Executive Director, commented that \$25,000 for a space study was allocated in the budget. This is one of the four key projects that staff is working on. Suzanne Frick noted the KURA would only be funding the spatial analysis, there will be no additional request for funding for the bricks and mortar or the actual facility itself. This will be a study done to determine the needs of the Police Department, Fire Department, and City Hall.

Commissioner Tim Eagan asked if this funding was an appropriate use of the KURA funds. Ryan Armbruster, KURA Attorney, commented that it is appropriate to participate.

Commissioner Anne Corrock commented when the budget was done, it was not intended to all be used for the study, and using all \$25,000 seems high.

Suzanne Frick clarified the extent of the study, and \$25,000 is an appropriate amount of money.

Suzanne Frick clarified they are interviewing architects, since it is under \$25,000 they are not doing an RFP.

6. AGREEMENTS & CONTRACTS

a. Discussion of an Agreement to Grant Mountain Rides Transportation Authority \$100,000 – Micah Austin, Director of Planning and Building.

Micah Austin, Planning and Building Director, explained that they are giving the board an opportunity to have a discussion of what they would like to do with the funds. At this time Mountain Rides is not pursuing a transportation hub. There are some options on how that money could be used. The first option is to redesign the transit hub at Sun Valley Road, option two is to reconsider a new location, option three is to improve multiple transit stops throughout Ketchum, option four is to do nothing. There is \$80,000 that will not be committed for the purpose it was designated.

Chairman Baird Gourlay commented on the easement not being the reason the hub did not work out.

Chairman Baird Gourlay commented that this should be put back on Mountain Rides, option 3 seems the most sensible, to improve stops in Ketchum, to give an identity to where public transportation is.

Commissioner Jim Slanetz commented that without the bulbouts it may be less expensive. Chairman Baird Gourlay commented that it would require more than just the bulbouts.

Commissioner Shelley Siebel requested clarification on the \$20,000 that has been spent. Micah Austin clarified that the estimated amount of 20,000 was spent on the design.

Commissioner Gary Lipton requested a full accounting of the \$20,000 that was spent. Commissioner Lipton also likes option number 3, but would like the \$80,000 to come back to the KURA to insure accountability of where the money is spent.

Commissioner Tim Eagan would like the money back. He is not impressed with how the Mountain Rides board plans and budgets things.

Commissioner Anne Corrock likes option 3. Does not think grant funds can be used on anything else other than the Hub. There is a need to improve the stops, would like to see solar lighting at the stops, and put a gps board at the visitor center to give information on the bus in actual time. Commissioner Corrock suggested working with the energy commission on the lighting and arts commission on the design.

Commissioner Mark Nieves commented on the need for auditing regarding the improvements that would be made. Would like to find out what our citizens would like to see improved, and would like Mountain Rides to do a survey.

Chairman Baird Gourlay clarified the board would like an accounting, and their money back from Mountain Rides, and Mountain Rides to come in with a presentation regarding option 3. Would like to see a number regarding the hub without the bulbouts and the hardscape improvements.

b. Discussion of Contract for IT Services Related to the Management of the Digital Advertising Project – Micah Austin, Director of Planning and Building.

Micah Austin, Planning and Building Director, presented the contract for IT Services. He suggested working with Aaron Pearson going forward with the project.

Micah Austin clarified there is a choice of the Cox internet option and the CenturyLink satellite option. Micah Austin suggested working with Commissioner Mark Nieves on the best option.

Motion to authorize Micah Austin and Mark Nieves to tie up the loose ends in the proposal and get it done.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Tim Eagan, Commissioner
SECONDER:	Anne Corrock, Commissioner
AYES:	Eagan, Lipton, Nieves, Siebel, Corrock, Gourlay, Slanetz

c. Discussion and Approval of an Agreement between the KURA and the Aspen Skiing Company to Occupy Property Owned by the KURA for the Duration of the Construction of the Limelight Hotel – Ryan Armbruster, KURA Attorney & Micah Austin, Director of Planning and Building.

Micah Austin, Planning and Building Director, presented the lease agreement, it can be tabled to a later meeting. There was a change to the indemnification clause.

Commissioner Gary Lipton requested a hazardous material clause for going across the street and the property.

Commissioner Baird Gourlay suggested the language be upgraded per Commissioner Gary Lipton's suggestions

The board tabled the discussion to the next meeting.

d. Lot Line Shift at 491 Sun Valley Road

Chairman Baird Gourlay commented on how to manage the Starbucks property, and the idea of selling the property down the line. Part of the property is part of town square and would not carry with the property. There is value to the property if the lot lines change.

Chairman Baird Gourlay would like to direct staff to move forward with a lot line shift on this piece of property to discuss at the next meeting.

Chairman Baird Gourlay clarified the property involved in the lot line shift.

7. ADJOURNMENT.

Commissioner Tim Eagan motioned to adjourn at 5:39 p.m., seconded by Commissioner Anne Corrock, passed unanimously.

Baird Gourlay
Chairman

ATTEST:

Sandra E. Cady
Secretary/Treasurer