



Regular Meeting

~ Minutes ~

Monday, July 20, 2015

3:00 p.m.

Ketchum City Hall

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

All Present: Micah Austin, Director of Planning and Building
Sandy Cady, Secretary Treasurer
Suzanne Frick, Executive Director
Ryan Armbruster, URA Attorney by speaker phone

1. CALL TO ORDER

Chairman Baird Gourlay called the meeting to order 3:05 p.m.

2. CONSENT CALENDAR

a. Approval of Minutes:

Commissioner Anne Corrock made corrections to the June 15, 2015 minutes.

b. Approval of Current Bills:

Motion to approve Consent Agenda with Correction noted

RESULT: APPROVED (UNANIMOUS)

MOVER: Tim Egan, Vice Chair

SECONDER: Annie Corrock, Commissioner

**AYES: Baird Gourlay, Tim Egan, Anne Corrock, Shelley Siebel, Gary Lipton,
Jim Slanetz, Mark Nieves**

3. COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS

Chairman Baird Gourlay explained to the commissioners that he asked Micah Austin Director of Planning & Building to track the hours he is spending on the URA. Chairman Baird Gourlay said that if something is going to take Micah Austin 2 hours or more it needs to be voted on by the commissioners. It needs to be a unanimous decision.

4. COMMUNICATIONS FROM THE PUBLIC

Jim Laski Attorney spoke on behalf of Aspen Hotels. Jim Laski is proposing a draft participation agreement. He thought an agreement was already in the making. Micah Austin Director of Planning &

Building said we could move forward with a letter of intent but was asking for direction from the board. Jim Laski would like to know why they can't have a participation agreement. Ryan Armbruster Attorney is ok with starting the agreement. Jim Laski is ok with starting to work on terms. Chairman Baird Gourlay would like to have the agreement for the next meeting. Vice Chair Tim Egan wanted reiteration from the two attorney's that they were in agreement and they are.

- a. Discussion of using a local law firm for legal review of the lease with Cairde Group at 491 SV Rd.

Micah Austin Director Planning & Building explained that a letter has been prepared for Starbucks but nothing has been done. Vice Chair Tim Egan said he was looking for a default management position. Chairman Baird Gourlay said the hourly rate is \$200 an hour, for an associate it would be \$175 an hour. Jill would be \$350 an hour and a paralegal is \$150. Chairman Baird Gourlay asked if we need a second opinion and if so how do we want to proceed. Commissioner Jim Slanetz, Commissioner Gary Lipton, Commissioner Shelley Siebel and Commissioner Mark Nieves would like to go forward with a second opinion. Commissioner Anne Corrock is concerned about a conflict and chose to abstain regarding the 2nd opinion. Baird Gourlay would like a second opinion but for it not to exceed a \$1,000 limit.

Motion to engage with legal counsel for a second opinion with a not to exceed a \$1,000 limit.

RESULT:	ADOPTED [6 TO 1]
MOVER:	Tim Egan, Commissioner
SECONDER:	Gary Lipton, Commissioner
AYES:	Egan, Lipton, Nieves, Siebel, Gourlay, Slanetz
NAYS:	Anne Corrock

5. NEW BUSINESS

- a. **Presentation and Discussion of DRAFT budget for Fiscal Year 2015-2016**

Micah Austin Director Planning & Building presented the same budget that was presented last Monday and explained that research has been done and a handout was given to the commissioners. Micah Austin explained that he put a question out to other cities on what their URA costs were. He will get those numbers to the board as soon as he has them. He explained that benefits are a significant part of the costs. Commissioner Anne Corrock said only 4 positions were represented. Micah Austin said he will work with Sandy Cady Secretary Treasurer to get the other positions added to the analysis. Anne Corrock asked if we are more efficient with this big staff. Ryan Armbruster City Attorney said there are 3 models for URA's.

- 1 - Direct employees of the URA
- 2 - One Executive Director as employee
- 3 - Between City & Agency - What employees of city staff will be compensated by the URA.

Micah Austin explained that currently when the commission has a question they ask and staff gets the research done and the agency does not receive a bill. He said this could be dialed back if they would like. Vice Chair Tim Egan talked about contract labor and our current model. He asked what percentage is across the state for options 2 and 3. Ryan Armbruster thinks it is a 50/50 split.

Chairman Baird Gourlay would like to continue with the way we're doing it. Micah Austin Director Planning & Building will continue to track hours and they will have a better idea next year.

Commissioner Anne Corrock asked about the URA debt reserve funds and where it is in the budget. Sandy Cady Secretary Treasurer explained it is in the financials balance sheet that the commissioners receive monthly and that line item does not show in the budget.

Vice Chair Tim Eagan asked if we were required to keep this. Micah Austin Director Planning & Building said that it is a requirement of the bond.

Vice Chair Tim Eagan asked about the potential of contracting with the city for services. Micah Austin Director Planning & Building explained that it will slow up the research and response from staff. Currently the board can call Micah Austin at any time. If it changes the board will be billed by the hour. Vice Chair Tim Eagan questioned if billing by the hour wouldn't be more efficient. Micah Austin said it all depends on what the URA wants from staff as to what is better.

b. KURA Funding Requests for Public Infrastructure within the Revenue Allocation Area

1. Request from Paul Conrad for undergrounding public power lines to assist in redeveloping 231 SV Rd.

Title work on 491 Sun Valley Road - A Warranty Deed is in the name of the URA not the City of Ketchum. It was for LOT 5 and 6 Block 24. This is in the URA district and does qualify for URA reinvestment dollars. Undergrounding power lines are not in the plans but they are public lines and qualify for improvements. The amount requested is \$175,000. That is based on a quote from Idaho Power the project will be assessed at \$3.5 million after completion. Based on the current levy the increment revenue per year at completion will be \$21,191 per year. This is a 9 year return. 9 years is a long time. We don't know when it will be fully taxable.

Chairman Baird Gourlay clarified that this is the same type of agreement we went thru with Aspen for the Limelight Hotel.

Paul Conrad presented for Conrad Brothers. They would like to get a draft agreement moving. Idaho Power is a big challenge. This is a complex alley way. Idaho Power is finalizing Engineering and costs. They do not have final numbers and would like to talk about cost sharing. \$175,000 is a close number based on what they know to date from Idaho Power and Cox Communication. He said they are getting close to having an agreement across the board as to where they can site on private property. He is looking for direction from commissioners.

Chairman Baird Gourlay opened the meeting up for discussion. He questioned if this amount of time we want to allocate for payback and what the tax increment is going to be? Commissioner Jim Slanetz thinks this is an appropriate use of funds. He asked for clarification regarding location of power lines. Paul Conrad responded regarding location of transformers and how many transformers are needed per septon. Paul Conrad said they are trying to keep it simple and come to them with reasonable costs. Commissioner Jim Slanetz doesn't like the 9 year term. Paul Conrad agreed and feels 7 years would be better. Commissioner Shelley Siebel is in support of the project but not of the 9 years. We need to set some parameters. Micah Austin Director Planning & Building said to keep in mind that someday you're going to want to close the district down. The district expires in 2030. This gives us 10 years for reimbursement. Micah Austin suggests 3 to 5 years for reimbursement for this project. Chairman Baird Gourlay said he would like to know where each commissioner stands on the number of years. He gave Micah Austin direction to keep track of each project separately on an hourly basis. Micah Austin said the agreement would authorize the board to pay it off early if they want to.

Commissioner Gary Lipton is in favor of the project but he asked Paul Conrad if they would do this project without the URA's money. Paul Conrad said he could not answer fairly. He is not the developer and it's not his money. Paul Conrad said the total cost is \$175,000 for this project. Gary Lipton asked if he is prepared to put up any of that money. Other people down alley will benefit from this financially. He asked where the benefit is back to the URA. Paul Conrad said he has no idea if there will ever be a return to the URA and they are also willing to putting up funds.

Vice Chair Tim Egan said this is a misuse of URA funds. He thinks they are short \$175,000 and that is why they are coming to the URA. He does not think making a project developable is the URA's responsibility. Tim Egan asked why two other property owners will need to participate to site the sectors due to their location requirements and size. Paul Conrad said in order to drop these 2 power poles Idaho Power is saying 2 more sector boxes need to be put in. Vice Chair Tim Egan also questioned the cost of land and building is making customers maximize their setbacks. If we can't go to a 3 foot setback we are missing developable real estate. Vice Chair Tim Egan said the only one that is going to benefit from this is that one parcel.

Commissioner Mark Nieves questioned the cost of \$175,000 and if it includes the other buildings getting hooked in. Paul Conrad said it would be inclusive for anything directly related to this right now. This is preparing for other work to be done.

Commissioner Anne Corrock said she is in support of infrastructure

Commissioner Gary Lipton requested to meet with Paul Conrad so that he could explain the details. Chairman Baird Gourlay said they could do a site visit at the next meeting. Idaho Power and Cox would need to be present. They agreed to start the next meeting at 2pm at the site.

Chairman Baird Gourlay asked Paul Conrad if the \$175,000 include meter hook ups. Paul Conrad confirmed. Chairman Baird Gourlay thinks the \$175,000 figure is too high. Commissioner Gary Lipton said others need to contribute. Paul Conrad brought up the possibility of an LID or BID. Chairman Baird Gourlay said he and Micah Austin Director Planning & Building would discuss this with Mayor Nina Jonas and bring it before council if need be.

c. Discussion and report on management of 491 SV Road

Micah Austin Director Planning & Building talked about a lot line shift for 491 SV Road. This would create a larger lot for the Starbucks Building and separate out part of the Town Square Lot. This will guarantee Town Square to stay intact. Micah Austin asked the board if he should move forward on a lot line shift.

Vice Chair Tim Egan said by doing this, it will be an undevelopable lot. He questioned the URA's goals with this. He thinks this is City Council business morphing into URA business. Commissioner Anne Corrock agrees with Vice Chair Tim Egan and does not see a rush on this. We have until 2020 to make this decision. Commissioners, Nieves and Slanetz agree that this topic can wait. Commissioner Shelley Siebel agrees however, asked Micah Austin Director of Planning & building if he thinks there is a reason we should move forward on this right now. Micah Austin said no unless the board wanted to do something with this property right away. Commissioner Gary Lipton thinks the time to do this is right now. He thinks this board is fully aware of this property and he doesn't want to educate new people. He would like to make decisions today or over the next couple of months. Chairman Baird Gourlay said 4 people on the board are interested in doing nothing therefore they will discuss this next year and see if this topic has moved up on the priority list. He personally agrees with Commissioner Gary Lipton but would like to wait one year before any decisions are made.

- d. Discussion of amendments to the KURA bylaws and recommendation for adoption to the Ketchum City Council

Micah Austin Director Planning and Building explained that at the May 1, 2015 planning workshop the discussion of council members and lay people on the board was discussed. At a later meeting it was decided that the board would consist of 2 council members and 5 at large lay people. There are also several bylaws that need to be updated. Micah Austin turned the meeting over to Ryan Armbruster Attorney.

Ryan Armbruster presented saying 2 resolutions need to be dealt with. A Resolution is needed that provides statement of intent from the board from the workshop that states there will be 2 Council members and 5 lay people on the URA Board.

The chairman will write a letter to the Mayor explaining how the board will operate and fill vacancies and if a term expires that will go before council.

All commissioners were in agreement accept Commissioner Anne Corrock. She asked if elected officials should be part of it. The more flexibility in it the better. Ryan Armbruster Attorney said the resolution is only stating how the board wants to see it. It is up to the Mayor & Council who is on the body. This resolution is only stating how the URA Board wants it developed.

Ryan Armbruster Attorney said the Bylaws are not a city council document they are URA By Laws.

Motion to approve resolution 15-URA2 be approved.

RESULT:	ADOPTED [5 TO 1]
MOVER:	Tim Eagan
SECONDER	Mark Nieves
AYES:	Eagan, Nieves, Siebel, Gourlay, Slanetz
NAYS:	Anne Corrock
ABSENT:	Gary Lipton

Ryan Armbruster Attorney said the biggest change is the URA can approve their own bylaws. They will not have to go back to City Council for approval.

Section 6 of bylaw – Stick with the Monday at 3pm for board meetings.

Section 13 - This one says if your absent for 3 consecutive board meetings a board member could be removed.

Annual Election talks about voting dates to vote for officers. Chairman Baird Gourlay suggests – we continue with January.

As proposed amendments here forward will not have to go to council it will just be majority voting of this board.

Commissioner Anne Corrock talked about the jam up of the meetings when they are back to back. She suggested changing the meetings to first thing in the morning or noon. Chairman Baird Gourlay said it is tough for him and Ryan Armbruster. He suggested we change this meeting to 2pm going forward. This will be flexible.

Motion to approve resolution 15-URA1 be approved.

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

- e. Discussion of in lieu of housing funds used for purchase of real property and full accounting of \$1.5 MM of in-lieu housing funds

Micah Austin Director Planning & Building said in response to the Boards direction at the last couple meetings, the packet shows all payments made, how much, when and where they went. This information is directly from the Audit. Chairman Baird Gourlay questioned the interest paid. Micah Austin said it was paid out of in-lieu funds.

Commissioner Jim Slanetz questioned the \$90,000 transfer. Micah was unclear on that transfer but said it was accounted for in the audit. Vice Chair Tim Eagan asked if property at SV Road and East Ave were both included. Micah Austin said it included both lots. (2 city lots = 11,000 sq. feet)

- f. **Marketing video update and approval of final version**

Micah Austin Planning & Building Director presented the marketing video.

Commissioners were all in agreement that they liked the video and were ok with approval.

- g. **Discussion of drafting a RFP for development of publicly owned property within the KURA district.**

Micah Austin Director Planning & Building asked to continue to next meeting.

6. OLD BUSINESS

- a. **Current funding requests report and update**

Micah Austin Director Planning & Building asked for direction for funding requests and explained this will be on every agenda moving forward. All requests were outlined in the packet.

Next meeting will start at 2pm as a special meeting and 3pm for regular meeting.

7. ADJOURNMENT

Motion to adjourn.

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



 Chairman Baird Gourlay

ATTEST



 Sandra E. Cady
 Secretary/Treasurer