

**KETCHUM URBAN RENEWAL BOARD MEETING Agenda**

**REGULAR MEETING**

April 15, 2019 beginning at 2:00 PM

480 East Avenue, Ketchum, Idaho



**CALL TO ORDER**

**CONSENT CALENDAR: (ALL ACTION ITEMS)**

1. Approval of Minutes: February 19, 2019 regular meeting
2. Approval of Current Bills: see packet

**COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS**

3. Discussion of the 2018 Project Priority Rankings – Chair Susan Scovell

**COMMUNICATIONS FROM THE PUBLIC**

**NEW BUSINESS**

4. Quarterly update by Sun Valley Economic Development – Executive Director Harry Griffith
5. ACTION: Trail Creek Fund LLC Participation Agreement - Attorney Ryan Armbruster
6. ACTION: Discussion of Blaine County Ordinance authorizing property tax exemption pursuant to Idaho Code 63-602NN – Director of Finance & Internal Services Grant Gager

**OLD BUSINESS**

7. Update and discussion of 2019 Legislative Session – Attorney Ryan Armbruster
8. ACTION: Repayment of City of Ketchum In-Lieu Funds— Board Discussion

**EXECUTIVE SESSION**

9. An executive session under 74-206(1)(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated

**ADJOURNMENT**

Any person needing special accommodations to participate in the above noticed meeting should contact the Ketchum Urban Renewal Agency 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.

STAY INFORMED! – visit [www.ketchumura.org](http://www.ketchumura.org). To receive notifications from the Ketchum Urban Renewal Agency, please sign up at [www.ketchumura.org](http://www.ketchumura.org). Here you can select to receive email and/or text notifications when meeting agendas, packets and minutes are posted.

Urban Renewal Board Meeting Agenda



# Ketchum Urban Renewal Agency

480 East Avenue North  
Ketchum, ID 83340  
<http://ketchumidaho.org/>

## Regular Meeting

~ Minutes ~

Admin

Monday, March 18, 2019

1:00 PM

Ketchum City Hall

**Present:** Chair Susan Scovell  
Vice-Chair Cameron Packer  
Commissioner Amanda Breen – present by phone  
Commissioner Gary Lipton  
Commissioner Jim Slanetz  
Commissioner Ed Johnson

**Absent:** Commissioner Casey Dove

**Staff Present:** Suzanne Frick – Executive Director  
Ryan Armbruster – KURA Attorney – present by phone  
John Gaeddert - Director of Planning and Building  
Neil Bradshaw - Mayor  
Robin Crotty – Secretary

### CALL TO ORDER

Chair Susan Scovell called the meeting to order at 1:00 p.m.

### CONSENT CALENDAR Note: (ALL ACTION ITEMS)

1. Approval of Minutes: February 19, 2019 regular meeting

#### Motion to approve the Minutes of February 19, 2019

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jim Slanetz, Commissioner
<b>SECONDER:</b>	Ed Johnson, Commissioner
<b>AYES:</b>	Scovell, Packer, Slanetz, Lipton, Breen, Johnson
<b>ABSENT:</b>	Casey Dove

2. Approval of Current Bills: see packet

#### Motion to approve the bills

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Cameron Packer, Vice Chair
<b>SECONDER:</b>	Ed Johnson, Commissioner
<b>AYES:</b>	Scovell, Packer, Slanetz, Lipton, Breen, Johnson
<b>ABSENT:</b>	Casey Dove

### COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS

Commissioner Amanda Breen attended by phone and will have to drop off at 1:30pm for court hearing and will then call back.

### COMMUNICATIONS FROM THE PUBLIC

No communication from public

### ACTION ITEMS

#### 3. ACTION: Public Hearing and Approval of Annual Report (KURA Board)

Executive Director Suzanne Frick advised that this was before the Commission at the last meeting. This is the final approval of the Annual Report.

Chair Susan Scovell opened the meeting for public comment. There was none. Public hearing closed.

#### Motion to approve the Ketchum Urban Renewal Annual Report.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jim Slanetz, Commissioner
<b>SECONDER:</b>	Shelley Siebel, Commissioner
<b>AYES:</b>	Slanetz, Lipton, Nieves, Siebel, Packer, Scovell, Breen, Johnson
<b>ABSENT:</b>	Casey Dove

### DISCUSSION ITEMS

#### 4. Review of Trail Creek Fund LLC Participation Agreement (Planning Director, John Gaeddert)

Commissioner Ed Johnson advised that he has been contacted by Jack Bariteau for a future project and asked if he should recuse himself from this discussion. John Gaeddert, Director of Planning & Building advised that he could listen since there is no decision being made today. John Gaeddert talked in detail about the timeline in the packet and gave a summary of the Owner Participation Agreement

Commissioner Gary Lipton asked Attorney Ryan Armbruster if the KURA is an independent agency from the City of Ketchum? Ryan Armbruster confirmed that it is and explained how the Owner Participation Agreement works with both entities on this project. Ryan Armbruster advised that the KURA has not paid a dime and won't pay until the project is completed. Gary Lipton advised the board that he was on the commission when this agreement was reached, and he feels the commission was misled. He asked if the board has the right to reject any further delays? Ryan Armbruster explained that he would have to look at the agreement again but advised that the board could make the intent to not authorize further

delays. Gary Lipton requested Ryan Armbruster find out what it will take to void this agreement. Ryan Armbruster advised we cannot take formal action since it was not noticed as an action item.

Staff was directed to put this topic on the next agenda as an Action Item.

Commissioner Gary Lipton asked Commissioners Jim Slanetz and Amanda Breen what the next step is for council. Jim Slanetz advised he believes we are reaching the end of all extensions. Amanda Breen agrees with Jim Slanetz and talked about the deadlines in the agreement.

#### **5. Financial Review of KURA (Grant Gager, Finance Director)**

Executive Director Suzanne Frick talked about the financial status of the KURA. The information in the packet is reflective of 41% of the fiscal year showing expenses and budgeted amounts. Suzanne Frick advised that the KURA is in pretty good shape at this time. There is funding in place that has not been spent yet this year. Going forward if the KURA's revenue's stay on track, there will be good funding for futures expenditures. Commissioner Ed Johnson questioned the rent line. Suzanne Frick explained the year to date numbers. Commissioner Gary Lipton questioned Pg. 22, other expenditures. Suzanne Frick explained the reimbursements of staff time, housing in-lieu reimbursement, and operating contingency. Gary Lipton asked about reimbursing general staff time. Suzanne Frick clarified that there is not a charge for the use of the meeting room. Ed Johnson asked for an annualized number to compare apples to apples. Suzanne Frick will get him that information. Gary Lipton talked about the miscellaneous revenue on page 12 and clarified for the board that those funds come from the parking lot rental agreement and questioned the renewal date of the agreement. Suzanne Frick will check and get back to him.

#### **6. Repayment of City of Ketchum In-Lieu Funds—Board Discussion**

Commissioner Ed Johnson advised that the funds for housing need to be papered and he needs more time to understand the In Lieu- Housing Funds. He will continue to work thru the process with Treasurer Grant Gager.

#### **7. Request from Mayor Bradshaw to proceed with workforce housing on the 1st and Washington Avenue site.**

Councilor Amanda Breen dropped off the meeting.

Mayor Neil Bradshaw talked about the parking lot they own on 1st and Washington. He is keen on asking them to think about developing that lot for Workforce Housing. He is requesting the City be partners with the KURA and requested this be put on a future agenda, so the commission has time to talk about this and look at it. Zoning and parking were discussed. He would like them to talk about how this could meet the city's needs.

Commissioner Gary Lipton advised that he thinks this is a good location for workforce housing. Groceries, banking and bus line are all right there. He would like this taken out of the Mayor's hands and put to a committee. Gary Lipton requested the KURA board to have one person and one person from the Council to sit on this committee. He volunteered himself for the KURA and asked for Council President Michael David's participation from Council. Commissioner Ed Johnson said that West Ketchum is full of Air bnb's. He asked Attorney Ryan Armbruster if this goes out for an RFP can we set a minimal rental period? Ryan Armbruster explained that as the owner, things are limited by covenants, but enforcement will always be the issue.

Mayor Neil Bradshaw advised that the KURA could decide on the restrictions such as saying it is driven by income, or can give to BCHA and work with their guidelines etc. Mayor Bradshaw said he agrees with

Attorney Ryan Armbruster. Rental units are controlled. When they become owned it is when the enforcement becomes more difficult. Mayor Bradshaw directed that staff be involved in this process. Commissioner Gary Lipton questioned if there is any knowledge of tax dollars? He asked if we could get state wide tax funds? Mayor Neil Bradshaw advised that Blaine County is in the middle of doing a hybrid tax deal and advised he thinks this should be considered. Mayor Bradshaw said this is an important year for Ketchum to put an application in somewhere. He is unsure of the location at this time.

Reed Sanborn would like to do something for workforce housing on this lot. The tax dollars could be used elsewhere.

Chair Susan Scovell asked why the KURA is involved. Attorney Ryan Armbruster advised it is KURA property and they want to implement their plan as well as this being a complex plan and could use the cities help. Commissioner Jim Slanetz asked if it would be beneficial to gift this to the City? It is a complicated property. Commissioner Gary Lipton questioned Jim Slanetz's suggestion of donating the land to the City. Attorney Ryan Armbruster advised it depends on what the KURA anticipates the Council to do. Gary Lipton questioned the process. Mayor Neil Bradshaw talked about the process and the conditions that could be put in place. Both entities have strong points and conditions.

Commissioner Ed Johnson talked about the tax credits. He thinks the focus needs to be put-on long-term rental. Mayor Neil Bradshaw advised that he has recently been to a conference where different models were shown and talked about the diversity of markets and income. Commissioner Jim Slanetz talked about the BCHA and about this becoming county wide asset.

Executive Director Suzanne Frick clarified that a subcommittee will be formed, and staff will reach out to Council President Michael David to see if he is interested. The committee will come forward with a schedule as to how they will move forward. Commissioner Ed Johnson commented we need to be very specific and be sure it is papered out.

## EXECUTIVE SESSION

### 8. An executive session under 74-206(1)(f)

**Motion to go into Executive to discuss 74-206(1)(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.**

**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Susan Scovell, Vice Chair  
**SECONDER:** Jim Slanetz, Commissioner  
**AYES:** Slanetz, Lipton, Nieves, Siebel, Packer, Scovell, Breen, Johnson  
**ABSENT:** Casey Dove

**Motion to come out of Executive Session at 2:20 p.m.**

**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Jim Slanetz, Commissioner  
**SECONDER:** Cameron Packer, Commissioner  
**AYES:** Slanetz, Lipton, Nieves, Siebel, Packer, Scovell, Breen, Johnson  
**ABSENT:** Casey Dove

**ADJOURNMENT**

**Motion to adjourn at 2:21 p.m.**

**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Cameron Packer, Commissioner  
**SECONDER:** Amanda Breen, Commissioner  
**AYES:** Slanetz, Lipton, Nieves, Siebel, Packer, Scovell, Breen, Johnson  
**ABSENT:** Casey Dove

\_\_\_\_\_  
 Susan Scovell, Chair

ATTEST:

\_\_\_\_\_  
 Robin Crotty, Secretary

## Report Criteria:

Invoices with totals above \$0 included.

Paid and unpaid invoices included.

[Report].GL Account Number = "961000000"- "9848009999"

Vendor Name	Invoice Number	Description	Net Invoice Amount
<b>URBAN RENEWAL AGENCY</b>			
<b>URBAN RENEWAL EXPENDITURES</b>			
<b>98-4410-4600 LIABILITY INSURANCE</b>			
ICRMP	18023 1819 2	Annual Member Contribution for Policy Period 10-01-18 to 09-30-19	1,367.00
<b>98-4410-7100 INFRASTRUCTURE PROJECTS</b>			
GALENA ENGINEERING, INC.	1318.174 03011	20297 030119	42,258.75
IDAHO POWER	431029	Relocation 6th to 7th	2,146.00
IDAHO POWER	431030	Relocation 5th to 6th	2,368.00
Total URBAN RENEWAL EXPENDITURES:			48,139.75
Total URBAN RENEWAL AGENCY:			48,139.75
Grand Totals:			48,139.75

Project Priority Rankings	Board member Rankings (highest number is highest priority)							Average	Median	Priority Ranking
	MARK	AMANDA	JIM	SUSAN	CAMERON	GARY	SHELLY			
Streets, Sidewalks, and Public Infrastructure	7	8	1	7	7	8	7	6.428571	7	2
4TH STREET- Completion of 4th Street Heritage Project	1	5	4	3	3	2	2	2.857143	3	7
UNDERGROUND POWERLINES- Undergrounding power lines in RAA	4	6	5	2	2	3	3	3.571429	3	6
Economic Development Projects located within the RAA	6	1	7	5	6	6	6	5.285714	6	3
Paying back the In-lieu of Housing funds to the City of Ketchum	3	4	6	1	1	1	1	2.428571	1	8
Community Housing	8	7	3	8	8	4	8	6.571429	8	1
Public Parking	2	3	8	4	5	5	4	4.428571	4	5
City Hall or Fire Station- Assistance to the City of Ketchum	5	2	2	5	4	7	5	4.285714	5	4
<b>Priorities for Property owned by the KURA: 211 First Street</b>										
Public Parking	2	2	4	3	3	1	3	2.571429	3	4
Community Housing	5	5	2	5	5	2	5	4.142857	5	1
Selling Property to generate revenue	4	3	5	2	4	5	1	3.428571	4	2
Transferring the property to another public entity	1	4	3	1	1	3	2	2.142857	2	5
Some other public purpose	3	1	1	4	2	4	4	2.714286	3	3



## KETCHUM URA REPORT

### Sun Valley Economic Development: Action Plan Delivery 1Q 2019

#	Category	Criteria	Performance Assessment	Metrics*
a	Business Attraction	Attract new businesses by identifying and soliciting potential companies and businesses to relocate their operations in the Area.	Continued consultation(s) on TRIs for Project Media and Skin. TRI info requested by Project Media. Conversations with 3 professionals about community entry.	Site Visits=0
		Monitor, review & respond as appropriate to all Idaho Department of Commerce RFI's	1 RFI issued by Department of Commerce for this period (Project Manzana: does not meet base criteria)	New TRIs=0
		Design & develop data, promotional materials, and/or activities to use in attracting businesses to the Area	"Relocate. Recreate" posters placed in airport. Completed photo shoot for "Business=Fun" stock images	Business Visits =151
b	Business Retention	Assist existing businesses with expansion by consulting and advising to improve and strengthen operations.	Delivered succession planning forum for local businesses. Consultations with 10+ local businesses (SV Guides, Farmers Market, SV Mustard, etc.) on critical growth issues.	Commerce RFIs =3
		Monitor & respond to potential business closures by advising to maintain operations.	Consultation with existing companies on future local business prospects (Safehaven and Project Radio)	
c	Community Development	Make measurable and quantifiable progress on specific projects that will increase the economic vitality and diversity of the Area	KIC – Support on mentoring and educational programs.	R&E Projects =61 Job Pot. =61 Invest Pot = \$41m
			Other Innovation Projects – Continued progress toward Culinary project implementation. Continued incubation of 2 potential new events; kickoff of Outerbike organizing committee.	
			Middle Income Housing –Small Residential Unit zoning text amendment denied by BC P&Z; next move to Commissioners. Continued advocacy on several MIH projects. New project to draft BC Comp Plan ED Chapter with BSU College of Public Policy team	
			Infrastructure/Other – Property Tax Exemption ordinance reintroduced to BC Commissioners. Support to developers on 2 new potential hotel projects	
d	Organizational Development	Improve the functionality of the organization, staff, fundraising, other activities that improve capabilities/ sustainability.	Community Outreach – Delivered 1Q Forum to 35; 3 newsletters issued	Prof Dev Activities =61
			Board & Governance –Scheduled meetings of SVED ExCo & Board.	
			Training/Other –Intern secured for summer analytical work	

\*Cumulative counts; based on Idaho Department of Commerce reporting matrix, Fiscal Year Starting July 1, 2018

## KETCHUM URA REPORT

### Highlights:

- Recruiting visit to Denver Snowshow/Outdoor Retailer conference
- 1Q 2019 Forum on succession planning
- Property Tax Exemption ordinance reintroduced to Blaine Co Commissioners
- SUR Zoning text amendment denied by Blaine Co P&Z
- Continued progress towards Sun Valley Culinary Institute implementation



## **Ketchum Urban Renewal Agency**

**P.O. Box 2315 | 480 East Ave. N. | Ketchum, ID 83340**

April 15, 2019

Chairwoman Scovell and Board of Commissioners  
Ketchum Urban Renewal Agency  
Ketchum, Idaho

Chairwoman Scovell and Board of Commissioners:

### **Discussion on Property Tax Exemptions Pursuant to Idaho Statute Section 63-602NN**

#### Introduction/History

The Idaho State Legislature recently revised a section of state statute (63-602NN) to broaden a property tax exemption. The exemption, which was previously limited to manufacturing investments greater than \$3 million, has been expanded to include investments in a wider range of commercial properties with a lowered investment threshold (\$500,000). The County has passed an ordinance to guide the exemption process.

Staff has become aware the Blaine County Commissioners may seek to authorize tax exemptions pursuant to Idaho State Statute section 63-602NN.

#### Current Report

The Ketchum URA, like all URAs in Idaho, depends on incremental tax revenue increases from the revenue allocation area to fund its projects and operations. Unlike cities, which receive a set level of revenue from property taxes, URAs only receive taxes derived from incremental increases in property values. So, to the extent that improvements to certain parcels are exempt from property taxes, the Ketchum URA will receive less revenue that it otherwise would have.

#### Financial Requirement/Impact

The extent of possible revenue loss would be dependent upon the number and level of exemptions granted by the County Commissioners.

#### Attachments

- A. Blaine County Ordinance

**BLAINE COUNTY ORDINANCE NO. 2019-07**

**AN ORDINANCE ESTABLISHING A PROPERTY TAX EXEMPTION, PURSUANT TO IDAHO CODE SECTION 63-602NN, FOR CERTAIN PLANT INVESTMENT IN BLAINE COUNTY, IDAHO**

WHEREAS, Idaho Code Section 63-602NN authorizes the Board of County Commissioners ("Board") to grant a property tax exemption for certain types of plant investment within Blaine County; and

WHEREAS, the Board recognizes that certain types of plant investment can provide positive public benefits in the form of job creation, economic growth, and affordable housing; and

WHEREAS, the Board finds that property tax relief for eligible plant investments will bring significant economic benefits to the County; and

WHEREAS, the adoption of standards for considering requests made for these exemptions will allow the Board to process and consider these requests in a fair and equitable manner,

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF BLAINE COUNTY COMMISSIONERS AS FOLLOWS:**

**SECTION 1. Purpose**

The purpose of this ordinance is to promote investment that provides significant economic benefits to the County. This ordinance is not intended to constitute a guarantee to the taxpayer of the property tax exemption.

**SECTION 2. Code Amendment**

The Blaine County Code is hereby amended to add the following new Chapter 3 to Title 2:

**CHAPTER 3  
PLANT INVESTMENT TAX EXEMPTION**

*jd 2-3-1*  
~~3-2-1~~: TAX EXEMPTION AUTHORIZED: Any taxpayer may apply for a property tax exemption for new and existing project sites provided that there is a plant investment that meets the minimum criteria set forth in Idaho Code Section 63-602NN and this Chapter for non-retail commercial or industrial development. Eligible plant investment projects must be approved by the Board before a full or partial exemption will be granted.

id 2-3-2

~~3-2-2~~: NOTICE AND PUBLIC HEARING: Before considering any exemption request pursuant to this Chapter, the Board shall hold a public hearing. In addition to providing agenda notice, a brief summary of the exemption request will be prepared, and it will be provided with notice of the time, date and location of the public meeting to all affected taxing districts, urban renewal agencies and the Idaho Department of Commerce at least five (5) calendar days before the meeting.

id 2-3-3

~~3-2-3~~: CRITERIA AND BOARD CONSIDERATION: Requests for a property tax exemption under this Chapter will be considered by the Board using criteria set by resolution. This criteria will weigh the economic benefit of the proposed plant investment and the specific attributes of any affordable housing project.

- A. All property tax exemption applications must meet the minimum plant investment and other requirements set forth in Idaho Code Section 63-602NN.
- B. In considering requests under this Chapter, the Board will review its criteria to determine whether granting the tax exemption will lead to significant economic benefits in the community. The criteria are intended to give taxpayers guidance on the extent to which the Board is willing to grant full or partial tax exemption requests pursuant to Idaho Code Section 63-602NN.
- C. The Board may require any additional information from the taxpayer that it deems necessary, and if the information includes trade secrets, as that term is defined by Idaho law, the Board may review the materials in executive session.
- D. At the hearing, the Board may grant, partially grant, or deny the tax exemption request. The Board retains the full discretionary authority to grant or deny all or part of the exemption request for any reason, and to structure the duration and extent of the exemption in any way it deems appropriate in accordance with Idaho Code Section 63-602NN. The Board also may require any additional requirements that it deems necessary as conditions of exemption approval.
- E. Upon granting a full or partial tax exemption under this Chapter, the taxpayer and County shall enter into a contract as a condition of approval for the duration of the exemption period. Such contract shall provide the terms and conditions upon which the exemption is granted and shall give the County

the full authority to unilaterally terminate, modify, or impose additional conditions upon the tax exemption holder in the event the contract is breached or if the project no longer qualifies for the tax exemption in the sole estimation of the Board.

F. The grant of an exemption pursuant to this Chapter shall be valid for up to a total period of five (5) years for all or a part of the change from the base value attributable directly to the plant investment.

**SECTION 3. Effective Date**

This ordinance shall be in full force and effect immediately upon passage and publication as required by law.


REGULARLY PASSED AND APPROVED THIS 9th DAY OF APRIL, 2019:

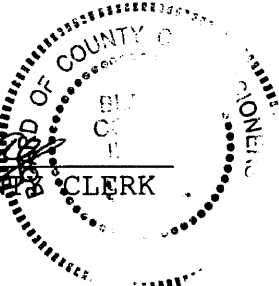
BLAINE COUNTY BOARD OF COMMISSIONERS

  
\_\_\_\_\_  
Jacob Greenberg, CHAIR

  
\_\_\_\_\_  
Angelle McClean, COMMISSIONER

  
\_\_\_\_\_  
Dick Fosbury, COMMISSIONER

  
\_\_\_\_\_  
Lynn Drage, COUNTY CLERK



published April 12, 2019 displayed