

**SPECIAL MEETING OF THE KETCHUM
URBAN RENEWAL AGENCY
April 1, 2014**

Commissioners present:

**Chairman Mark Eshman
Vice-Chairman Trish Wilson
Commissioner Tim Eagan
Commissioner Baird Gourlay
Commissioner Gary Lipton
Commissioner Jim Slanetz**

Absent:

Commissioner Anne Corrock

Also present:

**Interim Executive Director Ray Silver
Attorney Paul Fitzer
Ketchum Special Projects Manager Lisa Enourato**

1. This meeting of the Ketchum Urban Renewal Agency was called to order by Chairman Mark Eshman at 4:35p.m. at City Hall, Ketchum, Idaho.

2. Communications from the Board of Commissioners

Commissioner Gourlay said that Harry Griffith contacted him requesting information regarding the old post office and inquiring if there is funding available from Ketchum to help the culinary institute.

Interim Executive Director Ray Silver said there is \$100,000 set aside in the City budget for this purpose. This board should discuss if they want to help the culinary institute move forward.

3. Consideration of an amendment to the Lease Agreement with the Sun Valley Marketing Alliance at 491 Sun Valley Road, Ketchum, Idaho.

Arlene Shieven, Sun Valley Marketing Alliance President and CMO, said that SVMA has done an analysis on the return on investment at the Visitor Center and determined that reducing their space from 1000 square feet to 200 square feet would be more appropriate for their needs.

Marty Albertson, Sun Valley Marketing Alliance Board Chairman, said it has been a great cooperative environment between the Sun Valley Marketing Alliance and Starbucks, and it is mutually beneficial. SVMA does not have any keys to the building and Mr. Albertson wondered who would be responsible to cover any damage that may occur to their property in the building, and would like to see that articulated in the lease.

Commissioner Gary Lipton asked if both Starbucks and SVMA carry insurance on the property. He also clarified that SVMA would still be responsible for a portion of the Common Area Maintenance expenses, and asked SVMA if they were asking the Board to lower the rent. Arlene said that the reduction is contingent on finding a cotenant for the space.

Chairman Mark Eshman said that the real question is who would be the appropriate cotenant and how the Board should market the space. The Board is not under any obligation to release SVMA from their lease, but in the spirit of cooperation would like to make this a win win for everyone by potentially generating more rent for the space. Commissioner Tim Eagan said that currently the KURA is basically subsidizing the common area on the building. He thinks they Board may be amazed at what they could get for the space.

Chairman Mark Eshman commented that the vault gets used frequently as a community conference room, and believes it is important to keep the community space. Commissioner Tim Eagan disagreed, he felt there was already plenty of community space in the building. Commissioner Baird Gourlay said that the vault made it more valuable to lease. George Rizzo, Starbucks, said that the vault is used every single day for meetings and group study sessions and it is an asset as community space. They currently have art from local artists on the wall and wouldn't want to lose that.

Arlene Shieven, said the current rent is \$1,000 per month and the Common Area Maintenance is about \$17,000 a year. Marty Albertson added that SVMA would like to have lowered a proportionate amount from 1000 square feet down to 200 square feet and would like to see a restructure of the CAMS so they are not being calculated on percentage, they currently fluctuate and are driven by Starbuck's traffic.

Commissioner Jim Slanetz asked George Rizzo if Starbucks had any interest in picking up the extra space, George said they did not.

George Rizzo wondered if a new tenant would be allowed to alter the space, and Commissioner Tim Eagan said the tenant would have to take the space as is.

Marty Albertson said that they would be willing to move the Visitor Center's 200 square feet to somewhere else in the building if need be.

Paul Fitzer, KURA Attorney stated that SVMA can utilize the 200 square and are relieved for the other 800 square and the associated expenses, provided that there is a subtenant.

Tim Semones, Ketchum resident, felt that it is an incredible community resource and is a magnet for the town. He felt the Board should find some other way to make up the money perhaps by monetizing the TV screens and using them for advertising. He said there was a purpose the building would be used for, and a lot of volunteer effort went into the building. Marty Albertson noted that is a beautiful space, but that someone else needs to take responsibility for supporting it. A community center is not part of the Sun Valley Marketing Alliance charter, their job is to attract outside visitors to come into the community.

Chairman Mark Eshman said the job of the Board is the maximize economic activity, it has turned into a great community center, but the intent was not build a community Center. He does not believe that adding another tenant will necessarily change it from being a great community center, any tenant will need to take advantage of that community space. Vice-Chairman Trish Wilson said they have a responsibility to make sure the subtenant will be an asset to the community like the Visitor Center is. George Rizzo said it is a great community center and does not want to see the environment change.

Jeff Englehart, Allstar Property Management, said he manages the property and that whoever goes in the space needs to be a cooperative tenant. The lease does have the requirement that only Starbucks can have keys and access, which may cut down the desirability to a new tenant. The Vault space is currently considered common area so if that is part of the lease they will need to change the CAM proration. With another tenant there should be a discussion of the CAM expenses, it is disproportionate.

Samon Silver, Interim Executive Director, said that there seems to be a lot of concerns in regards to the CAMs, he suggested a couple members of the board meet with the tenants in a small group to discuss the costs.

Chairman Mark Eshman suggested they go ahead an plan on a couple of members of the board sit down with George and Jane Rizzo, and Arlene and Marty and identify what the common area charges are and then form the RFP. Maybe they will find another solution, but there is no harm in adopting this addendum right now. Paul Fitzer, KURA Attorney said that this addendum doesn't change much, just that the board can look for some additional tenants to utilize that space.

Commissioner Baird Gourlay motioned to adopt the first amendment to the lease agreement between Ketchum Urban Renewal Agency and the Sun Valley Marketing Alliance, this addendum is entered into effective the first day of April, 2014. Commissioner Tim Eagan seconded the motion. The motioned passed unanimously.

4. Executive Session

Commissioner Baird Gourlay moved to go into Executive Session at 5:44 p.m., pursuant to Idaho Code 67-2345 1(c) and (f). Motion seconded by Commissioner Jim Slanetz. Roll call: Vice Chairman Wilson yes, Commissioner Gourlay yes, Commissioner Eagan yes, Chairman Eshman yes, Commissioner Lipton yes, Commissioner Slanetz yes. Motion passed unanimously.

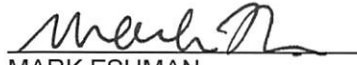
Commissioner Baird Gourlay moved to come out of Executive Session at 6:10 p.m., seconded by Jim Slanetz, passed unanimously.

5. Consent Calendar

Vice-Chairman Trish Wilson motioned to approve the consent calendar, Commissioner Tim Eagan seconded, motioned passed unanimously.

ADJOURNMENT

Commissioner Baird Gourlay moved to adjourn at 6:12 p.m. Motion seconded by Commissioner Tim Eagan, and passed unanimously.


MARK ESHMAN,
Chairman

ATTEST:


SANDRA E. CADY, CMC
Secretary/Treasurer