



REGULAR URBAN RENEWAL AGENCY MEETING
Monday, August 6, 2012 at 12:00 p.m.
Ketchum City Hall, Ketchum, Idaho

Present: **URA Chairman Mark Eshman**
 Commissioner Michael David
 Commissioner Randy Hall
 Commissioner Nina Jonas
 Commissioner Jim Slanetz

Also Present: **Lisa Horowitz, Community and Economic Development Director**
 City Attorney Stephanie Bonney
 Lisa Enourato, Assistant to City Administrator

1. CALL TO ORDER

The meeting was called to order by Chairman Eshman at 12:00 p.m.

2. COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS

Commissioner Hall asked to amend the meeting to include a presentation from Jim McLaughlin and Jed Gray with regard to the Washington Place project.

3. COMMUNICATIONS FROM THE PUBLIC

None

Jed Gray spoke about taking the opportunity to explore other locations for the affordable housing project known as Washington Place. A new possibility for a land exchange has been presented. He stated there are strong indications that it would be possible along with benefits to both the KURA and the City of Ketchum in fulfilling the needs of affordable housing.

Jim McLaughlin stated that he offered his services to GMD Development and demonstrated that 30 to 32 units could be developed on this property versus the 23 on 211 East First Street. Roughly 30-32 parking spaces would also be available on this site. Mr. McLaughlin was unable to identify the site.

Commissioner Hall outlined the offer of the trade of property in order to provide more units of housing. He stated that the appraisal had been done on the prospective lot and came in at \$135,000 higher and that because this is a land acquisition the deal is still confidential and that there is a deadline for the tax credit project. He also stated that he, on behalf of the City, sent a letter to the potential sellers letting them know they are extremely interested and that time is of the essence. There is no action required today except that the URA will have to come up with the \$135,000 difference to make the deal happen. He pointed out that this is 9 extra units for \$135,000 or \$15,000 per unit.

Mr. Gray pointed out that there would be no waivers requested in the proposed new location as it is in the same zone as the 211 East First Street location. He asked the URA to consider modifying the lease with KCDC in order to move it to another property. The property is in the downtown core.

Greg Dunfield agrees that there are opportunities for the City with additional units, parking 1 to 1, believes it is in a quieter part of town and that the deal gets better going from 23 to 32 units. They would like to continue to pursue this but pointed out some less positive issues:

- The site is not a three-sided site, as is 211 East First Street.
- There is a livability issue with requirements for storage and decks and it gets complicated and difficult to go beyond 30-32 units.
- There will be additional out of pocket funds.
- Timing.
- The pool for tax credit funds is small and the project would have to be one of the top 2 in the state to be sure it would be funded.

Mr. Dunfield believes it is still worth striving for the additional units and added that the following still needs to be performed on the property:

- Survey
- Development Potential
- Title Review
- Environmental

They would like to move the existing lease with the 211 First Street to the new property and advised it is not in the best interest of the city to contract with a private party on the tax credit application. The swap has to be complete prior to September 7. Mr. Dunfield stated that if they can secure site control in the next 24-48 hours, this can be accomplished. There is no written offer to date. Mr. Gray pointed out that if there was a non-contingent binding contract, there would be control of the property.

Mr. Dunfield informed the Commissioners that in order to make this deal viable, the following that must be initiated in the next couple days, completed in the next 7-9 days and back to KURA for action in the next 10-12 days:

- Documented Site Control
- Finalize Market Study and Initiate Environmental
- Title Review
- Finalize New Design

The Commissioners inquired as to whether this would change the chances of earning the tax credits. Mr. Dunfield believes this is one of the top 2 projects in the state and the market study supports that. He pointed out that there will be changes next year in scoring and that it was important to get the application in this September and that the February round only had 25% of the pool available.

Commissioner Jonas stated her interest in the possibility of a combined project between a new 211 East First Street owner and the adjacent city property.

4. COMMUNICATIONS FROM COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR

b) Request for revisions to the Option to Lease with KCDC/GMD Development for a tax credit housing project at 211 First Street East

Jon Duval and KCDC met with IHFA and discussed funding, gap financing and requirements and it was determined that KCDC needs a 99 year lease. This is necessary for the home loan segment of the tax credit financing program. The lease is between the KURA and the KCDC and after the 44 required years of affordable rental housing, they control the use of the property. Commissioner Jonas inquired about the ownership if the KCDC no longer existed and the KURA has reached its sunset. Stephanie Bonney stated the property would revert to the City.

Commissioner David moved to authorize the Chair to sign the revised Option to Lease with the KCDC for the purpose of pursuing a tax credit project on the property owned by KURA located at 211 East First Street to reflect a 99 year lease, seconded by Commissioner Hall, approved 4-1 with Commissioner Jonas voting no.

a) Report on the Low Income Tax Credit Program

Greg Dunfield made a PowerPoint presentation describing Low Income Housing Tax Credits. The program was brought into existence in 1986 by a major change in the tax code, which created a tax incentive for corporations to invest in affordable housing. He described how different tax credit projects are funded for different amounts and outlined the calculations involved in making that determination. Mr. Dunfield illustrated the business structure of an affordable housing project and listed the investor-required guarantees; Development Completion Guarantee, Operating Guarantee and Tax Credit Guarantee.

5. CONSENT CALENDAR

- a) Approval of minutes from the July 16, 2012 URA Board Meeting**
- b) Recommendation to approve current bills**

Commissioner Jonas inquired about the PILT. Lisa Horowitz stated that the County decided to start collecting PILT on the building because it is now occupied and used. A partial refund was given to the tenant and they will pay the County. Stephanie Bonney affirmed that since the use is now commercial and not governmental, they have the right to collect.

Lisa Horowitz explained the security deposits and how/why they are released.

Commissioner Hall pointed out that the increment came in \$43,000 higher than projected.

Commissioner Jonas moved to accept the consent calendar, seconded by Commissioner Slanetz, unanimously approved.

8. EXECUTIVE SESSION to discuss personnel, litigation and land acquisition pursuant to Idaho Code 67-2345 1(a), (b), (c) and (f)

No Executive Session

9. Adjourn

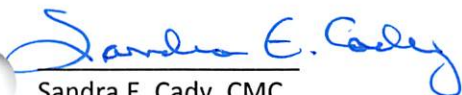
Commissioner Jonas motioned to adjourn the meeting, seconded by Commissioner David. The motion was unanimously approved.

The meeting was adjourned at 1:15 pm.



Mark Eshman
Chairman

ATTEST:



Sandra E. Cady, CMC
Secretary/Treasurer