



Ketchum Urban Renewal Agency

Regular Meeting

~ Minutes ~

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

Admin

Monday, July 15, 2019

2:00 PM

Ketchum City Hall

Present: Chair Susan Scovell
Vice Chair Cameron Packer
Commissioner Jim Slanetz
Commissioner Amanda Breen
Commissioner Ed Johnson
Commissioner Casey Dove
Commissioner Kristen Spachman

Staff Present: Suzanne Frick – Executive Director
Grant Gager – Treasurer
Ryan Armbruster – Attorney – present by phone

1. CALL TO ORDER

2. CONSENT CALENDAR Note: (ALL ACTION ITEMS)

a. Approval of Minutes: June 17, 2019 regular meeting

Motion to approve minutes

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| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Amanda Breen, Commissioner |
| SECONDER: | Cameron Packer, Vice Chair |
| AYES: | Slanetz, Breen, Johnson, Packer, Dove, Spachman |

b. Approval of Current Bills: see packet

Motion to approve the bills

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| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Amanda Breen, Commissioner |
| SECONDER: | Cameron Packer, Vice Chair |
| AYES: | Slanetz, Breen, Johnson, Packer, Dove, Spachman |

3. COMMUNICATIONS FROM THE BOARD OF COMMISSIONERS

No communication

4. COMMUNICATIONS FROM THE PUBLIC

Gary Lipton, past KURA Board Member, Board Member of KCDC and KIC talked about the pending budget up for approval. He talked about the infrastructure bond before the council for a new fire station and suggested the KURA alter the budget to propose a multi-year proposal to assist the city with the

bond. Gary Lipton distributed a form from a firm called ESI. The report was presented to the City of Ketchum regarding the fire station on 6/20/19. He suggested that the URA provide relief toward this area and outlined ideas on how to budget the KURA funds. Commissioner Ed Johnson asked KURA Attorney Ryan Armbruster what is possible from a legal standpoint on what the KURA can do with the City. Ryan Armbruster advised that the law was changed on July 1, 2019, and all dollars would now require a vote for the agency to spend. He clarified that there is not a cap. The only way to get out of a vote is if the funds come from the city and the KURA do not exceed more than 51% of the project cost, the rest of the funding would need to come from a private entity. Ryan Armbruster said Infrastructure is fine. Executive Director Suzanne Frick clarified that the money Gary Lipton is requesting is for public infrastructure. Gary Lipton went over the history of the in-lieu fees and the fact that there is no contract with the City. Gary Lipton talked about the upcoming proposal from Neil Bradshaw that will be presented later in this meeting. He advised that the KCDC has not submitted their taxes for review by the KURA. Commissioner Jim Slanetz would also like to see the money that Northwood provides to KCDC.

5. ACTION ITEMS:

a. ACTION: Recommendation to adopt the FY 19/20 Proposed Budget – Treasurer Grant Gager

Treasurer Grant Gager advised the board that the budget mirrors the conversation from the retreat earlier in the year. Commissioner Jim Slanetz questioned the location of the Owner Participation Agreements. Grant Gager explained they are in the Capital Outlay budget. Commissioner Kristen Spachman questioned the timeframe for the Capital Outlay Budget line item. Grant Gager explained that they are each for various terms and explained the OPA process. Commissioner Ed Johnson asked about the lease for the parking lot and how the approval of the two budgets simultaneously will work. Executive Director Suzanne Frick explained the background of the lease and how the payments work and the time frame of the loan. The lease will come back for discussion at the next URA meeting. She also advised that after next year, the City will be paid back the full amount that was loaned to the KURA. Commissioner Casey Dove questioned the FY18/19 budget column before them and if that is actual and if so through what month? Grant Gager explained saying that is the adopted budget. There is no actual expense figured against that. Commissioner Casey Dove questioned if the contingency is wiped out. Grant Gager confirmed. Kristen Spachman questioned the FY19/20 budget and what they are trying to figure out today. Grant explained the budgeting procedure and when the board will be expected to allocate their funds. Economic Development funding was discussed. Kristen Spachman asked about reimbursing the in-lieu housing fees. Grant Gager advised that no in-lieu funds have been reimbursed to the City in FY19. She also questioned the contingency fund and how it is budgeted and spent.

Attorney Ryan Armbruster explained the budget process saying once it is published the budget can go down, but not up without being published again. Executive Director Suzanne Frick said we may want to hear the funding requests before approving the proposed budget. Commissioner Ed Johnson asked that the commission review the contract for funding and table the approval of the proposed budget until the end of the agenda.

At the close of the meeting Executive Director Suzanne Frick summarized the actions taken at this meeting explaining that no budget adjustments need to be made.

Motion to adopt the budget with amendments and direct staff to create agreements and set the hearings for the next 4 meetings.

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| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Ed Johnson, Commissioner |
| SECONDER: | Jim Slanetz, Commissioner |
| AYES: | Slanetz, Breen, Johnson, Packer, Dove, Spachman |

b. ACTION: Consideration and action on funding request for a tax credit housing project at 480 East Avenue and the rear parking lot—Mayor Neil Bradshaw

Executive Director Suzanne Frick explained that this is a request for the Northwood II project. This amount would only be provided if the tax credit application is approved. We would like approval from the Commission for a letter of support. The application is due August 2, 2019. Commissioner Amanda Breen asked how the number is being calculated. GMD Developer Greg Dunfield explained the funding. This is a contribution the KURA is funding. This will go towards paying the In-Lieu fees. Commissioner Ed Johnson questioned the passing of the bond. Suzanne Frick explained that if the bond does not pass and the tax credit goes ahead, we will need to figure out what to do with the Fire Department.

Greg Dunfield, GMD Development, talked about the scoring matrix of the tax credits. Commissioner Kristen Spachman questioned the budgeting process and if funds could be submitted in a future budget. Executive Director Suzanne Frick explained to the board that they can figure out how much they want to pay, and the repayment could be worked out. Commissioner Ed Johnson voiced concern that if the bond fails how affordable housing will go forward? Suzanne Frick advised that the Council will be discussing this tonight. If the bond is successful, the Spring/Summer of 2021 the site will be available. If the ballot question fails, decisions will have to be made as to how to move forward.

Greg Dunfield, GMD Development, advised that he understands the importance of the fire station. He encouraged the Commission to move forward. Commissioner Amanda Breen encouraged the KURA to move forward with the funds.

Gary Lipton spoke in support of affordable housing. He also talked about the importance of the Fire Station. Gary Lipton advised the Commission to not get involved in other asks and stressed not to miss these two opportunities. Commissioner Kristen Spachman spoke in support of these two projects. Commissioner Ed Johnson voiced concern over the bond failing and how the fire fighters will be taken care of. Executive Director Suzanne Frick explained that is a council discussion. If the KURA wants to participate with the discussion, they would need to attend the council meeting this afternoon.

Chair, Susan Scovell asked Treasurer Grant Gager for a number to approve. Grant Gager explained the funds that are available and said it is a board decision. Susan Scovell requested this go forward with \$400,000.

Motion to approve \$400,000 KURA funding to support the infrastructure costs for the 480 East Avenue project and authorize the Chair to sign a letter of support for the project.

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| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Amanda Breen, Councilor |
| SECONDER: | Kristen Spachman, Commissioner |
| AYES: | Slanetz, Packer, Scovell, Breen, Johnson, Dove, Spachman |

c. ACTION: Request for KURA funding for undergrounding power lines in the alley between 7th Street and 8th Street and Warm Spring Road and Washington Avenue—Andrew Castellano

Commissioner Jim Slanetz is recused.

Andrew Castellano thanked commission for the opportunity to present and explained his support of under grounding and the conversations he has had with Idaho Power. He talked about the support of his neighbors as well as the projects that could be done with improvements after the lines are under grounded. Andrew Castellano gave the background and the engineering costs, and the neighbors are willing to contribute. He hopes to create a domino effect. Susan Scovell asked about the limitations. Andrew Castellano explained that height is not the only concern, safety is also a concern. Susan Scovell clarified that all neighbors will donate. Andrew Castellano confirmed that there are 8 properties and 6 property owners. Commissioner Casey Dove asked if historically we have done this type of project. Executive Director Suzanne Frick explained that a LID that was proposed in the past in the KURA, however, that project did not come to fruition. This is the first application. Commissioner Kristen Spachman asked the cities plan. Suzanne Frick explained that the \$180,000 is available for funding under grounding projects, focusing on the community core district for the visual impacts. She explained that under grounding is one of the KURA's priorities.

Paul Solomon advised that he owns 771 Warm Springs and talked about the importance of the views and all the good things going on in that area. He understands that there are other priorities but requested the KURA contribute to this one as well.

Gary Lipton requested that the Commissioners really look at this ask. He advised that property owners are making money off the taxpayer's investment and how to invest KURA money needs to be looked at.

Andrew Castellano disagreed with Gary Lipton. Any project the KURA does benefits property owners and allows property owners to make future investments. Under grounding power lines is a public benefit. This is not a big money maker. Chair Susan Scovell questioned if they will be building more affordable housing units and if so, how many. Andrew Castellano replied that 1 affordable housing unit will be built.

Commissioner Ed Johnson asked Executive Director Suzanne Frick about the 25% contribution for these types of projects. Suzanne Frick explained the Council policy. Ed Johnson is in favor of the KURA matching the City contribution. Suzanne Frick advised that this is before the city this evening. The ask is for \$30,000. Susan Scovell spoke in support but does not want to contribute \$30,000. The commission deliberated on the dollar amount

Motion to approve \$24,000.

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| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Ed Johnson, Commissioner |
| SECONDER: | Casey Dove, Commissioner |
| AYES: | Slanetz, Packer, Scovell, Breen, Johnson, Dove, Spachman |

d. ACTION: Request for KURA funding for the Sun Valley Culinary Institute—Harry Griffith

Commissioners Amanda Breen and Ed Johnson have been recused.

Sun Valley Economic Development, Executive Director Harry Griffith, explained that the culinary school proposal is back in Ketchum and taking possession of the building this month. He gave the history of the Cornerstone Restaurant location and advised that they have secured a 10-year lease. A design has been completed for the retro fit and the site will be activated in the fall. Harry Griffith went over the goals of the culinary institute and advised the Commissioners who the board members are and went over the remodel in detail. He talked about the economic impact and made clear that this will not be a restaurant. There will be 12 students at a time that will attend school for a 1-year cycle. It will be a very affordable program and paid apprenticeships. Current valuation is \$784,000 and \$400,000 capital will be

added. There will be a tax increment increase in the property. The ask is \$25,000 from this year's budget cycle. That will go toward the implementation costs. He is requesting that the KURA pay SVED those funds. They have raised \$300,000 toward the \$1M goal. Commissioner Casey Dove questioned the funding availability. Executive Director Suzanne Frick explained that we held off on the budget approval because of this request. She explained that if the \$25,000 is approved for the 19/20 budget they will need to adjust the line item in next year's budget prior to approval. Chair Susan Scovell asked about tuition. Harry Griffith clarified the cost would be \$12,500. Depending on who they work for they will provide housing. BCHA will assist with housing at the lift tower lodge. Harry Griffith talked about working with CSI to get this to be an accredited program. Suzanne Frick explained that the sidewalk needs to be completely reengineered and it's a Galena Engineering project. Commissioner Kristen Spachman asked if the \$1M is not raised will the KURA get their \$25,000 back? Harry Griffith explained the funds would not be returned and talked about the path forward. Suzanne Frick advised that if the board agrees we would then enter into an agreement.

Gary Lipton talked about the history of SVED and advised that the KURA should contribute more. The Commission deliberated. Executive Director Suzanne Frick clarified that if there is support of \$25,000, the budget will be realigned, and this will come back to the KURA at the next meeting.

6. DISCUSSION ITEMS

7. ADJOURNMENT

Motion to adjourn at 3:50 p.m.

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| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Susan Scovell, Chair |
| SECONDER: | Jim Slanetz, Commissioner |
| AYES: | Slanetz, Breen, Johnson, Packer, Dove, Spachman |


Susan Scovell, Chair

ATTEST:


Robin Crotty, Secretary