

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO, ADOPTING A PARTICIPATION POLICY; AUTHORIZING THE CHAIR AND EXECUTIVE DIRECTOR TO TAKE APPROPRIATE ACTION; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, Idaho, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, a duly created and functioning urban renewal agency for Ketchum, Idaho, hereinafter the Ketchum Urban Renewal Agency is referred to as the "Agency."

WHEREAS, the Agency, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20 (the "Law"), and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, as amended and supplemented (the "Act");

WHEREAS, the City of Ketchum (the "City") by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the "2006 Plan") to be administered by the Agency;

WHEREAS, upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010, and deemed effective on November 24, 2010, the Agency began implementation of the amended Ketchum Urban Renewal Plan (the "Amended Plan");

WHEREAS, the Agency currently has no formal participation policy in place that sets out the criteria for funding projects requested by various entities;

WHEREAS, Agency staff has prepared a Participation Policy as set forth in full below;

WHEREAS, Agency staff recommends approval of the Participation Policy by the Agency Board;

WHEREAS, the Board finds it in the best interests of the Agency and the public to approve and adopt the Participation Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE KETCHUM URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Participation Policy set forth below is hereby approved and adopted by the Agency Board, and that the Chair and Executive Director are authorized and directed to take all action to implement the Participation Policy.

### **Participation Policy KURA Funding Criteria for Projects**

#### **General Funding Criteria for All Projects:**

1. The KURA is not obligated to fund any project, even when the project meets all funding criteria. Funding a project is a discretionary decision by the Ketchum Urban Renewal Board.
2. Funds generated from projects within the Revenue Allocation Area shall be used first and foremost for publically owned infrastructure and for infrastructure that serves a direct public purpose.
3. Public infrastructure located below ground or at-grade shall be given priority.
4. In rare circumstances, funding for a non-infrastructure request may be considered if it is found to meet the criteria described in the section below.
5. Projects specifically identified in the 2010 Ketchum Urban Renewal Plan shall take priority for funding in all cases.
6. All requests for Tax Increment Financing shall be made prior to the applicant applying for building permits.
7. The Agency shall not consider requests to fund public infrastructure that has been required by the City of Ketchum in exchange for development bonuses, such as density waivers, variances, and other development bonuses. In these situations, the public infrastructure that was required in exchange for development bonuses shall be paid by the private developer.
8. Funding approvals are valid for the duration of the fiscal year in which the request was granted, unless otherwise stated in an agreement between the Agency and the entity.

#### **Project Funding Categories**

1. Reimbursement to Private Entities for Public Infrastructure
  - a. Tax increment funds generated by a project within the Revenue Allocation Area may be allocated for reimbursement of public infrastructure expenses incurred by the private development.
  - b. Reimbursement for public infrastructure shall commence after the project is generating a tax increment benefit to the Agency.

- c. No more than 50% of the total tax increment revenue generated from a project may be used for reimbursement to the project developer
    - d. Except in circumstances that warrant longer timelines, commitments for reimbursement in Owner Participation Agreements shall not be greater than five years from the time the project is generating property tax revenue to the Agency.
  2. Direct Funding of Public Infrastructure as Defined in Idaho Code §§ 50-2018(10), 50-2903(13) and 50-2903 (14):
    - a. Tax increment funds may be used to directly finance public infrastructure without a reimbursement agreement.
    - b. In these cases, payments should be made directly to a public entity, public utility, or other public or semi-public entity that will own and maintain the infrastructure.
  3. Funding for Non-Infrastructure Requests:
    - a. Requests for funding non-infrastructure may only be considered when a good, service, or benefit is received by the KURA in exchange for funds. In these cases, the approval of funds would result in a benefit to the revenue allocation area that the KURA could not have achieved on its own.
    - b. Entities requesting funding must be a legally recognized Idaho non-profit corporation organized under Chapter 30, Title 30, Idaho Code or equivalent or a public governmental entity and must have a proven track record of success.
    - c. Non-infrastructure funding request must result in a net financial benefit to the KURA.
    - d. Requests for funding administrative or operational costs shall not be considered except as may be proportionally allocated for the project.
  4. Funding of Residential Projects:
    - a. Only residential projects that incorporate community housing, as defined by the City of Ketchum, will be considered for tax increment funding. Funding will be proportionate to the amount of community housing the project provides. For example, if ten out of 100 residential units are considered community housing, the Agency may consider funding 10% of infrastructure costs. All other residential projects will not be considered.
    - b. Mixed-Use projects of any scale are considered commercial projects and may apply for tax increment financing, provided they meet all other criteria.

Section 3: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of Ketchum, Idaho, on May 16, 2016. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on May 16, 2016.

URBAN RENEWAL AGENCY OF KETCHUM

By   
Baird Gourlay, Chair

ATTEST:

By *Jordan E. Coley*  
Secretary

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