

RESOLUTION NO. 22-URA13

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, APPROVING AN AGREEMENT TO NEGOTIATE EXCLUSIVELY BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM AND THE WOOD RIVER COMMUNITY HOUSING TRUST INC. AND deCHASE DEVELOPMENT SERVICES, LLC; AND AUTHORIZING THE CHAIR AND SECRETARY, RESPECTIVELY TO EXECUTE AND ATTEST SAID AGREEMENT TO NEGOTIATE EXCLUSIVELY SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT TO NEGOTIATE EXCLUSIVELY AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE AGREEMENT TO NEGOTIATE EXCLUSIVELY; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, Idaho, 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, and the Local Economic Development Act, as amended and supplemented, Chapter 29, Title 50, Idaho Code (collectively, the “Act”), as a duly created and functioning urban renewal agency for Ketchum, Idaho (hereinafter referred to as the “Agency”).

WHEREAS, the City Council of 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; and

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 “2010 Plan”); and

WHEREAS, in order to achieve the objectives of the 2010 Plan, the Agency is authorized to acquire real property for the revitalization of areas within the 2010 Plan boundaries; and,

WHEREAS, the Agency owns certain real property addressed as 211 E. 1st Avenue, Ketchum (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B) and Lot 6, Block 19 (Parcel RPK0000019006B) (the “Site”); and,

WHEREAS, in accordance with Idaho Code § 50-2011, Disposal of Property in Urban Renewal Area, the Agency issued a Request for Proposals (“RFP”) on May 26, 2022, seeking to initiate a redevelopment project to revitalize the 2010 Plan boundary area in compliance with the 2010 Plan through redevelopment of the Site which could also serve as a catalyst for

redevelopment of other properties in the vicinity; and,

WHEREAS, following the publication of the RFP in the *Idaho Mountain Express* newspaper on May 26, 2022, the Agency received three (3) proposals for development of the Site by the August 26, 2022, deadline; and,

WHEREAS, the Agency Board appointed a review group to join Agency staff in analyzing the proposals, conducting interviews with each development team, and providing findings of fact and comments to Agency staff sufficient for the Agency Board to make a selection of the proposals; and,

WHEREAS, the review group along with Agency staff did interview each development team and thereafter provided the preliminary recommendation of the Wood River Community Housing Trust Inc. (“WRCHT”) and deChase Miksis Development, otherwise known as deChase Development Services, LLC, or such successors and assigns (collectively referred to as “Developer”), for selection; and

WHEREAS, at its regular public meeting of November 14, 2022, pursuant to Resolution No. 22-URA11, the Agency Board discussed the proposals and thereafter met with consensus regarding the proposed recommendation for development of the Site and selected Developer to begin negotiations; and

WHEREAS, Agency and Developer intend to pursue the negotiations of a Disposition and Development Agreement (“DDA”) and Ground Lease and, therefore, comply with the required provisions related to disposition of property by the Agency as set forth in the Law; and

WHEREAS, Agency seeks to enter into an agreement with Developer for the purpose of analyzing and assessing a development opportunity for the Site; and

WHEREAS, Agency and Developer have prepared an Agreement to Negotiate Exclusively (the “Agreement”) between Agency and Developer, a copy of which is attached hereto as Exhibit A and incorporated herein as if set out in full; and

WHEREAS, the Board of Commissioners of the Agency find it in the best public interest to approve the Agreement and authorize the Chair and Secretary to execute and attest the Agreement, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

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 Agreement, attached hereto as Exhibit A, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted as to form

recognizing technical changes or corrections which may be required prior to execution of the Agreement.

Section 3: That the Chair of the Agency is hereby authorized to sign and enter into the Agreement and, further, is hereby authorized to execute all necessary documents required to implement the actions contemplated by the Agreement, subject to representations by the Agency staff and legal counsel that all conditions precedent to and any necessary technical changes to the Agreement are consistent with the provisions of the Agreement and the comments and discussion received at the January 17, 2023, Agency Board meeting, including any necessary substantive changes discussed and approved at the Agency Board meeting.

Section 4: 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 January 17, 2023. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on January 17, 2023.

URBAN RENEWAL AGENCY OF KETCHUM

By Susan Scovell - CHAIR
Susan Scovell, Chair

ATTEST:

By Trent Donat
Secretary - TRENT DONAT

4886-2487-6355, v. 1



AGREEMENT 50082 TO NEGOTIATE EXCLUSIVELY
by and between
THE URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM
and
WOOD RIVER COMMUNITY HOUSING TRUST, INC. and DECHASE
DEVELOPMENT SERVICES LLC

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (this “Agreement”) is entered into by and between the Urban Renewal Agency of the city of Ketchum, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic (“Agency”), organized pursuant to the Idaho Urban Renewal Law, title 50, chapter 20, Idaho Code, as amended (the “Law”), and undertaking projects under the authority of the Law and the Local Economic Development Act, title 50, chapter 29, Idaho Code, as amended (the “Act”), and Wood River Community Housing Trust, Inc. an Idaho nonprofit corporation (“Trust”) and deChase Development Services LLC, an Oregon limited liability company that is authorized to do business in Idaho (“deChase”) (with Trust and deChase herein collectively referred to as “Developer”), or its assigns as provided for herein, collectively referred to as the “Parties” and each individually as “Party,” on the terms and provisions set forth below.

RECITALS

WHEREAS, Agency, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of the Law and the Act; and

WHEREAS, the City Council of 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; and

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 Ketchum Urban Renewal Plan 2010 (the “2010 Plan”); and

WHEREAS, the 2010 Plan established the Revenue Allocation Area (the “Project Area”), which established an area for redevelopment and anticipated improvement projects; and

WHEREAS, in order to achieve the objectives of the 2010 Plan, the Agency is authorized to acquire real property for the revitalization of areas within the 2010 Plan boundaries; and

WHEREAS, the Agency owns certain real property addressed as 211 E. 1st Avenue, Ketchum (Parcel RPK00000190070), and real property unaddressed as Lot 5, Block 19 (Parcel RPK0000019005B) and Lot 6, Block 19 (Parcel RPK0000019006B) (the “Site”); and

WHEREAS, in accordance with Idaho Code § 50-2011 Disposal of Property in Urban Renewal Area, the Agency issued a Request for Proposals (“RFP”) on May 26, 2022,

seeking to initiate a redevelopment project to revitalize the 2010 Plan Project Area in compliance with the 2010 Plan through redevelopment of the Site which could also serve as a catalyst for redevelopment of other properties in the vicinity; and

WHEREAS, following the publication of the RFP in the *Idaho Mountain Express* newspaper on May 26, 2022, the Agency received three (3) proposals for development of the Site by the August 26, 2022, deadline; and,

WHEREAS, the Agency Board appointed a review group (“Review Group”) to join Agency staff in analyzing the proposals, conducting interviews with each development team, and providing findings of fact and comments to Agency staff sufficient for the Agency Board to make a selection of the proposals; and

WHEREAS, the Review Group along with Agency staff reviewed the proposals, interviewed each development team and thereafter provided findings of fact and comments to Agency staff which allowed the Review Group to prepare a ranking of the proposals for Agency Board consideration; and

WHEREAS, Agency staff ranked the proposals from Developer, Blueline Development, and Servitas. Developer originally submitted its proposal under the entity names Wood River Community Housing Trust and deChase Miksis Development. deChase Miksis Development is otherwise referred to and registered as deChase Development Services LLC. For purposes of this Agreement, Developer shall include deChase Miksis Development, otherwise known as deChase Development Services LLC ; and

WHEREAS, at a public meeting on November 14, 2022, the Agency Board discussed the proposals and thereafter met with consensus regarding the proposals and selected the “Developer’s Proposal” (as further defined below); and

WHEREAS, Developer’s Proposal contemplates development of a four-story housing project, with street level parking, and retail on the first floor located on the Site as illustrated and shown in Exhibit A; and

WHEREAS, Agency and Developer intend to pursue the negotiations of a disposition and development agreement and long-term ground lease for the Site, and thus, comply with the required notice provisions concerning the disposition of property by Agency as set forth in the Law; and

WHEREAS, Agency seeks to enter into this Agreement with Developer for the purpose of analyzing and assessing development opportunities for the Site.

NOW, THEREFORE, Agency and Developer hereby agree as follows:

AGREEMENTS

Section 000 DEFINITIONS

“**Affordable Workforce Housing Project**” means the income-restricted residential dwelling units and associated common areas, amenities, and related parking, prioritized for

individuals and families living or working in the Ketchum area, to be developed by Developer on the Site pursuant to the Ground Lease and the DDA, and as further described within the definitions included in the Request for Proposals and Developer's Proposal found in the attached Exhibit B and incorporated herein by reference.

"Agency" shall be the Ketchum Urban Renewal Agency and includes Agency staff.

"Agency Board" shall be the members of the Agency's Board of Commissioners, as duly and legally appointed.

"AMI" shall mean the then current "Area Median Income" adjusted by family size annually published by the U.S. Department of Housing & Urban Development (HUD) for the geographic area referred to as Ketchum, Idaho HUD Metro Statistical Area Rent (MSA) Area (or its successor index).

"deChase" will be deChase Development Services, LLC, an Oregon limited liability company, or its assigns.

"Developer" will be Trust and deChase, or their assigns. See Section 401 for the nature of Developer.

"Disposition and Development Agreement" or **"DDA"** shall mean the agreement the parties intend to negotiate that will set forth the definitive terms of the development of Site by the Developer and the disposition of the property by the Agency through a long-term ground lease agreement.

"Effective Date" shall be the date this Agreement is signed by both Parties (last date signed).

"Garage" means the parking structure to be developed on the Site, as described in Section 809.

"Project Parking" means the surface parking lot to be used as parking for the residents/users of the Affordable Workforce Housing Project, and not for the general public.

"Public Parking" means the parking Garage to be used as parking for the general public, as set forth in Section 809.

"Ground Lease" shall mean the mechanism by which the Agency will lease the Site to the Developer for a period of years, allowing the Developer to construct the Affordable Workforce Housing Project as contemplated.

"Negotiation Period" shall begin on the Effective Date and end one hundred eighty (180) days after the Effective Date, unless extended by the Agency as provided herein.

"Schedule of Performance" shall mean the attached Exhibit C.

"Scope of Development" shall mean Developer's preliminary concepts for development of the Affordable Workforce Housing Project included in Developer's Proposal

and attached as Exhibit B, which preliminary concepts will be subject to certain updates and changes negotiated by Developer and Agency during the course of this Agreement, the DDA and the Ground Lease.

“Site” shall mean the real property more particularly described in Exhibit A, attached hereto and incorporated herein by reference.

“Trust” will be Wood River Community Housing Trust, Inc., an Idaho nonprofit corporation, or its assigns.

Section 100 NEGOTIATIONS

Section 101 Good-Faith Exclusive Negotiations

The Parties agree the foregoing recitals are not mere recitations but are covenants of the Parties, binding upon them as may be appropriate and a portion of the consideration for the agreements contained herein.

Agency and Developer agree for the Negotiation Period (described below) to negotiate diligently and in good faith to prepare the DDA and the Ground Lease to be considered for execution between Agency and Developer, in the manner set forth herein, with respect to the development of the Affordable Workforce Housing Project located on the Site. During the Negotiation Period, Agency shall not directly or indirectly negotiate with any person or entity other than Developer with respect to the disposition or development of the Site.

Section 102 Negotiation Period

The Negotiation Period shall commence on the Effective Date and shall terminate one hundred eighty (180) days thereafter (the “Termination Date”). Provided, Agency may in its discretion extend the Negotiation Period for the DDA and/or the Ground Lease for an additional sixty (60) days beyond the Termination Date without payment by Developer. In the event that Developer requests an extension of Negotiation Period and Agency grants such request, Agency may, in its sole discretion, require Developer to pay an extension fee of \$5,000.00 pursuant to this Agreement. In the event an extension fee has been paid and the DDA and/or the Ground Lease has been executed by both Parties, such extension fee shall be credited back to the Developer.

If upon expiration of the Negotiation Period, Developer has not executed a mutually approved DDA and/or Ground Lease with Agency, then this Agreement shall terminate, unless extended in writing by Agency. Once a DDA and/or Ground Lease is signed by both Developer and Agency, then the terms of the DDA and/or Ground Lease shall prevail and this Agreement shall automatically terminate as to that DDA and/or Ground Lease.

If the negotiations do not result in an executed DDA and/or Ground Lease for the Site, Developer shall submit to Agency copies of the documents in its possession regarding the proposed development for the Site, excluding any confidential or privileged information. If this Agreement is terminated per this Section 102, Developer shall not seek reimbursement for costs and expenses from Agency and Agency shall not seek reimbursement for costs and expenses

from Developer except that Agency shall retain any extension fee paid by Developer, and Agency shall be entitled to retain the Deposit as provided in Section 103.

Section 103 Deposit

Developer's Submission of Deposit:

Recognizing that Trust is a not-for-profit corporation that is recognized as a 501(c)(3) public charity, Developer shall submit to Agency a deposit in an amount of \$10,000.00 ("Deposit") in the form of cash or cashier's check to ensure that Developer will proceed diligently and in good faith to negotiate and perform all of Developer's obligations under this Agreement. Provided, if the Parties terminate this Agreement before Agency incurs any costs in preparing the Reuse Appraisal (defined below) for the Site, as applicable, the Deposit shall be refunded in its entirety to Developer. Should Agency incur the costs of a Reuse Appraisal for the Site and this Agreement is subsequently terminated or a DDA and/or Ground Lease is not executed, Agency shall retain the cost of the Reuse Appraisal from the refunded Deposit amount. The Deposit shall be refunded in its entirety to the Developer should the DDA and/or Ground Lease be successfully negotiated and executed.

Submission of the Deposit must occur within fifteen (15) days of the Effective Date. If Developer fails to submit said Deposit within the fifteen (15) day period, Agency may terminate this Agreement, with neither Party having any further rights against nor liability to the other under this Agreement, unless as agreed to in writing by Agency.

Agency shall be under no obligation to pay or earn interest on Developer's Deposit, but if interest shall accrue or be payable thereon, such interest (when received by Agency) shall become part of the applicable Deposit and applied as described hereunder.

Section 200 DEVELOPMENT CONCEPT

Section 201 Scope of Development

Agency and Developer acknowledge Developer's proposal as submitted to Agency on or before August 24, 2022, with supplemental information provided on October 17, 2022, attached as Exhibit B (collectively, "Developer's Proposal"). In addition to Developer's Proposal, on November 14, 2022, the Agency Board identified several issues requiring further negotiation, which issues are identified in Section 800. Agency agrees to provide Developer with a list, if any, of those issues within thirty (30) days following the effective date of this Agreement.

The Parties further acknowledge the design of the Affordable Workforce Housing Project will be further refined in connection with the development of a specific design plan ("Design Development Plan"), which design refinement will occur pursuant to the terms of the DDA.

Section 202 Progress Reports

Developer agrees to make oral and/or written progress reports advising Agency on all matters and all studies being made by Developer on a monthly basis at the request of Agency.

Section 203 Assessment of Project Feasibility; Notification

In the event at any time during the Negotiation Period Developer determines that it is not feasible to proceed with development of all or a portion of the Affordable Workforce Housing Project, this Agreement shall be terminated upon ten (10) days' written notice to the Agency. In the event the Agreement is terminated before Agency incurs any costs in preparing the Reuse Appraisal (defined below) for the Site, the Deposit shall be refunded in its entirety to Developer. After Agency incurs any third-party costs in preparing the Reuse Appraisal for the Site, as applicable, such costs shall be deducted from the amount of the Deposit to be refunded to Developer (if any).

In the event of such termination, neither Party shall have any further rights against or liability to the other under this Agreement with respect to the Site. Developer acknowledges and consents that in the event this Agreement is terminated, Agency has the right and authority to enter into an exclusive right to negotiation agreement concerning the Site with any other interested developer.

Agency recognizes that the feasibility of the Project as proposed in Developer's Proposal is predicated upon the construction costs for the Project and interest rate for the Project financing remaining within the targets identified in Developer's Proposal. Agency further recognizes that construction costs and interest rates are dynamic variables that will fluctuate over time, and that the fluctuations may affect the feasibility of the Project.

Agency recognizes that the feasibility of the Project as proposed in Developer's Proposal is predicated upon Developer receiving City approvals that are consistent therewith, and that do not impose financial or other conditions or burden beyond the conditions or burdens that are typically imposed on similar projects in similar jurisdictions.

Agency recognizes that if construction costs, interest rates, City approvals or other matters affect the feasibility of the Project, then Developer will need to seek to modify the Project design and other features (such as unit mix and affordability levels) as necessary for the Project to become feasible. Agency and Developer agree to work together cooperatively to solve problems and adapt the Project to allow a feasible Project to be developed. However, should Developer's proposed modifications differ in such a way that Developer's Proposal is materially altered, Agency shall have the discretion to find that such modification is unacceptable. In the event the Agency and Developer are unable to reach an agreement on such modifications, Developer will either continue with Developer's Proposal or Agency and Developer will cease negotiations of a DDA and Ground Lease.

Section 204 Environmental Condition

Within thirty (30) days of the submission of the Deposit by Developer, Agency agrees to provide Developer with any environmental reports Agency possesses which may have included an investigation of the Site.

Section 300 GROUND LEASE AND/OR OTHER CONSIDERATIONS

During the Negotiation Period, Agency and Developer shall negotiate the schedule and conditions for Ground Lease of the Site with respect to financing and a schedule for the development of the Affordable Workforce Housing Project which schedule, and conditions will be included in the DDA.

Under the Law, Agency may transfer real property for no less than the fair reuse value. The reuse appraisal (“Reuse Appraisal”) and its determination of value will be prepared and provided to Developer under the DDA as the information necessary to complete the Reuse Appraisal may not be available at the expiration of the Negotiation Period. The Reuse Appraisal shall establish the fair reuse value of the Site to be leased by the Agency as required under the Law (the “Residual Land Value”).

Developer shall submit to Agency the data required by the appraiser (“Reuse Appraiser”) who has been selected by Agency, which data (“Reuse Appraisal Data”) is needed by the Reuse Appraiser to prepare the Reuse Appraisal for the Affordable Workforce Housing Project. Developer shall submit the Reuse Appraisal Data pursuant to the terms of the DDA. Developer may be required to supplement the Reuse Appraisal Data during the course of the Reuse Appraisal and shall submit this supplementary data in a timely manner as required by the Reuse Appraiser and Agency. The Reuse Appraisal Data includes but may not be limited to:

- density of development,
- costs expected to be incurred and revenues expected to be realized in the course of developing and leasing of the Agency owned parcels,
- residential unit types,
- commercial unit types
- sizes and expected rents,
- construction type and materials,
- exterior and interior finish materials,
- square footages of uses other than residential,
- leasing for other uses and assets such as office space, retail space and parking spaces,
- parking stalls and usage
- assumptions regarding soft costs such as marketing and insurance, risks of Agency, risks of Developer,
- Developer participation in the funding of public facilities and amenities, and
- estimated or actual Developer return including assumptions regarding entrepreneurial incentive, overhead and administration as these factors apply to the Project.

Developer acknowledges that Agency will be unable to commence the Reuse Appraisal process without Developer's submittal of the Reuse Appraisal Data, and Developer acknowledges that Agency will be unable to close under the terms of the DDA without the results of the Reuse Appraisal for the applicable property.

Agency recognizes that that Developer's Proposal assumes that the Ground Lease will have rent of \$1 per year, and that the identified rental rate is integral to achieving the affordable rents for residents/users of the Project. In no event will the Ground Lease rent be less than the Residual Land Value established by the Reuse Appraisal.

Section 400 DEVELOPER AND DEVELOPER'S OBLIGATIONS

Section 401 Nature of Developer

Developer is a partnership between Trust and deChase. Wherever the term "Developer" is used herein, such term shall include any permitted nominee or assignee as herein provided.

Developer currently anticipates that the development structure will be as follows: (a) deChase will establish a wholly owned subsidiary to develop and own the Affordable Workforce Housing Project through completion of the construction using equity provided by the Trust and construction financing provided and guaranteed by deChase; (b) at completion of construction, the Affordable Workforce Housing Project will be conveyed from deChase to a wholly owned subsidiary of Trust with long-term financing as outlined in Section 807; and (c) the Trust's subsidiary will own and operate the Affordable Workforce Housing Project for the balance of the term of the Ground Lease in accordance with the terms of the Ground Lease and the Trust's charitable purposes. Agency recognizes that the foregoing structure is based on Developer's current assumptions of what might be the most advantageous structure to achieve the financing and development of the Affordable Workforce Housing Project, and that Developer may modify that structure as Developer deems necessary or advantageous to achieve the most favorable financing and development of the Affordable Workforce Housing Project. By way of example, Developer may determine that it is most advantageous for the Trust to secure construction financing and the deChase subsidiary to serve only as a fee-for-service developer for the Trust's subsidiary. Agency agrees to cooperate with Developer and not unreasonably withhold or delay its approval of any development structure proposed by Developer.

Section 402 Developer's Principal Office and Development Team

Developer's Principal Office is located at:

deChase Development Services LLC
1199 Shoreline Drive, #290
Boise, ID 83702

Wood River Community Housing Trust, Inc.
675 E Sun Valley Road K-1
Ketchum, ID 83340

Agency and Developer acknowledge and agree that the Local Project Manager, as described in Section 906, shall also be a member of the Development Team. Unless otherwise set forth in Section 403 below, any other consultants and professionals on the Development Team (such as special architectural consultants, leasing agents, engineer, and contractor) will be selected at a later date. Agency acknowledges that Developer has preliminarily selected the following consultants and professionals for the Development Team:

Architect	Pivot North, LLC
Civil:	Benchmark Associates, P.A.
Structural:	KPFF, Inc.
MEP:	TJK Consulting Engineers, PC
Landscape:	Landwork Studio LLC
Construction Management:	Redpoint Construction Management LLC
Contractor:	Conrad Brothers of Idaho/McAlvain Construction, Inc.
Public Outreach:	SMR Development LLC

Developer shall advise Agency of any changes to the Development Team.

Section 403 Full Disclosure

Developer is required to make full disclosure to Agency of its officers, key managerial employees, and design professionals (collectively the "Development Team") involved in the development of the Site. Any change during the period of this Agreement of the Development Team or in the controlling interest of Developer is subject to the approval of Agency, such approval not to be unreasonably withheld or delayed. The selected architect for the Project is Pivot North Architecture. The selected general contractor is Conrad Brothers General Contractors of Idaho and McAlvain Construction Inc.

Any assignment or transfer of this Agreement is subject to Section 904.

Section 404 Compliance with Applicable Laws

Developer recognizes it will be required to comply with all applicable laws, including all applicable federal and state labor standards, antidiscrimination standards, affirmative action standards, and nondiscrimination and nonsegregation standards, laws, and regulations in development, rental, or lease of the Site.

Section 500 AGENCY'S RESPONSIBILITIES

Section 501 Urban Renewal Plan

This Agreement and any DDA and/or Ground Lease agreed to by the Parties are subject to the provisions of the 2010 Plan.

Section 600 REAL ESTATE COMMISSIONS

Agency shall not be liable for any real estate commission or brokerage fees arising from the development of the Site. Agency represents that it has engaged no broker, agency, or finder

in connection with this transaction, and Developer agrees to hold Agency harmless from any claim by any broker, agent, or finder retained by Developer.

Section 700 EXECUTION OF THIS AGREEMENT NOT A DISPOSITION OF PROPERTY

By its execution of this Agreement, Agency is not committing itself to or agreeing to undertake: (a) disposition of land to Developer; or (b) agreement to a long term ground lease of land; or (c) any other acts or activities requiring the subsequent independent exercise of discretion by Agency, City, or any agency or department thereof; or (d) any other acts or activities requiring the subsequent independent exercise of discretion by any federal or state agency including, but not limited to, environmental clearance and historic preservation approval. Execution of this Agreement by Agency and Developer does not constitute a disposition of property by Agency.

Section 800 ISSUES OF NEGOTIATION

Developer recognizes that the following items are matters Agency desires be addressed during the Negotiation Period, but both Parties understand that there is no present agreement as to the manner or degree to which any particular item can or will be included in the applicable DDA and/or Ground Lease or Design Development Plans.

Section 801 Design Refinement

Prior to submission of the Design Development Plan, Agency and Developer shall engage in design discussion to address design issues related to the Design Development Plan identified by Agency, which Agency desires to resolve prior to submittal of the Design Development Plan to Agency by Developer. Agency shall prepare a written list, if any, of the issues to be addressed in the Design Development Plan within thirty (30) days following the execution of this Agreement, and the process shall be conducted as provided in the Schedule of Performance.

Section 802 Agency Participation

Developer specifically acknowledges, recognizes, and consents that Agency participation in the Affordable Workforce Housing Project may be limited to the long-term Ground Lease of the Site. Agency Participation is to be negotiated as part of the DDA and the Ground Lease. The foregoing shall not preclude Agency and Developer from agreeing to Agency having an ownership interest in the Public Parking located in the Garage, reimbursement of public infrastructure or improvements as part of the DDA and Ground Lease or as separate agreements entered into by the Parties.

Developer has requested Agency participation in the amount of Two Hundred Twelve Thousand, Five Hundred Ninety-Seven Dollars (\$212,597.00) for and which is the current estimated cost of relocating utilities from their current location to other locations that are conducive to the Affordable Workforce Housing Project subject to the final actual cost for said work. Agency's participation on this requested item will be negotiated as part of the DDA.

Section 803 Impact Fees

Agency acknowledges that Developer likely will be assessed impact fees by City. Such impact fees assessed represent a cost to the Developer and may be included within the Reuse Appraisal analysis as described in Section 300 of this Agreement. Provided, however, nothing contained herein obligates Agency to subsidize or pay any impact fees. The Agency acknowledges that Developer's Proposal assumes that the City will waive the impact fees that would normally be assessed against the Project, and that the failure of the City to waive the ordinary impact fees will affect the feasibility of the Project. Developer acknowledges that Agency has no ability to waive impact fees and such decision is solely that of the City; provided, however, Agency will support Developer's request to City to waive City impact fees, acknowledging that such support by Agency does not imply any financial or other contributions by the Agency related to such waivers.

Section 804 Community Outreach

The Parties agree that a public outreach plan will be developed and implemented as part of the Affordable Workforce Housing Project. Both Parties agree to coordinate and work together on public outreach prior to any design review application consideration by the City.

Section 805 Sequencing

The Parties shall address the sequencing and timing for development of several public and private components of the Affordable Workforce Housing Project and the related issues raised in the plans for financing the public portions, recognizing that the public and private portions may proceed on different schedules as a function of market conditions, available public funds, and costs, among other things.

Section 806 Ground Lease

The Agency and Developer anticipate entering into a fifty (50) year, long-term ground lease for lease of the Site to the Trust, or such successors or assigns as approved by the Agency which approval will not be unreasonably withheld, for development of the Affordable Workforce Housing Project ("Ground Lease"). The negotiations of the terms and conditions of the Ground Lease are to occur simultaneously with the development and negotiation of the DDA.

Agency recognizes that, to accommodate the financing, development or use thereof, it may be necessary or advantageous for portions of the Affordable Workforce Housing Project, the Garage and/or the ground floor areas to be separate sublease parcels or condominium units. The Ground Lease will allow Developer to create sublease parcels or condominium units in the leasehold estate in any reasonable manner.

Section 807 Unit Affordability Mix and Idaho Housing and Finance Association

Developer's Proposal sets forth a preferred allocation of mixed-income units in the Affordable Workforce Housing Project including 32% of the residential units at or below 100% AMI, 30% of the residential units at or below 120% AMI, and 38% of the residential units at or below 150% AMI. The Agency Board at its meeting on November 14, 2022, specifically requested that additional negotiations occur between the Agency and Developer to establish the

unit type associated with these AMI ranges (i.e. studio, 1 br, 2 br, 3 br). Agency has not specifically approved the unit type mix or affordability mix.

Agency acknowledges that Developer's proposed unit type mix and affordability mix is based on Developer's preliminary assumptions of what might be the most advantageous mix for the community. Developer intends to investigate its preliminary assumptions regarding the proposed unit type mix using current rental market data, and propose adjustments to reflect Developer's judgment on the most advantageous unit type mix for the community. Developer also intends to investigate its preliminary assumptions on the affordability mix using current information on the inputs affecting affordability (e.g., construction costs, interest rates, etc.) and availability of prospective tenants in each target income bracket, and propose adjustments to reflect Developer's judgment on the most advantageous affordability mix for the community, and that is also feasible. Agency agrees to cooperate and work with Developer and not unreasonably withhold or delay its approval of any unit type mix or affordability mix proposed by Developer that is consistent with Agency's feasible goals for the Affordable Workforce Housing Project. However, should Developer's proposed unit type mix or affordability mix differ in such a way that Developer's Proposal is materially altered, Agency shall have the discretion to find that such modification is unacceptable. In the event the Agency and Developer are unable to reach an agreement on such modifications, Developer will either continue with Developer's Proposal or Agency and Developer will cease negotiations of a DDA and Ground Lease.

Developer has indicated its intent to issue at least two series of bonds or notes to finance the Affordable Workforce Housing Project. The first series would be the Series A bonds which Developer anticipates will represent seventy to eighty-five percent (70% - 85%) of the cost of the Affordable Workforce Housing Project. The Series A bonds will be issued through the Idaho Housing and Finance Association ("IHFA") and will be double tax exempt. These Series A bonds will be secured by the Affordable Workforce Housing Project, including Developer's leasehold interest in the Ground Lease, but not the Agency's fee simple estate in the Site. The Series A bonds will be subordinate to the Ground Lease. Agency agrees to enter into any subordination, nondisturbance and attornment agreement reasonably requested by IHFA to issue the Series A bonds, unrelated to the fee simple estate in the Site. The Series A bonds are expected to have a ten (10) year term, but the term may be adjusted to reflect then current market conditions for tax exempt bond financing.

The second series are intended to be Series E (employer) notes issued by the owner of the Affordable Workforce Housing Project (i.e., the Trust's wholly owned subsidiary) and sold to governmental employers and 501c3 employers. The Series E notes will be assigned to a specific dwelling unit in the Affordable Workhouse Housing Project. During the term of the Series E note, the holder thereof will have a priority right to nominate eligible persons and families to lease the assigned dwelling unit, subject to all applicable laws and regulations. The Series E notes may be fully taxable. The Series E notes will not be secured. The Series E notes are expected to have a ten (10) year term, but the term may be adjusted to reflect then current market conditions.

The Parties recognize that, depending on market conditions: (i) the bonds and notes may altered to achieve the most favorable financing rates and terms that may be available for the Affordable Workforce Housing Project; and (ii) other financing instruments may be issued to ensure that Affordable Workforce Housing Project is fully financed.

On or before May 31, 2023, Developer shall provide Agency with the timeline and process to obtain such financing and the specific IHFA programs utilized.

The specific unit type mix, affordability mix and affordability monitoring will be further negotiated through approval of the DDA and Ground Lease. The Parties will work together to identify a monitoring agent, which may be self-reporting by the Trust or a third-party monitoring agent. Agency recognizes that IHFA will require monitoring and reporting for the Series A bonds, and Agency may accept the IHFA Series A bond monitoring and reporting requirements as satisfactory if they are reasonable.

Section 808 Availability of City Funds

Developer seeks to coordinate with City to determine the availability of funding for affordable and/or workforce housing projects. Developer shall provide Agency with information as to City funding and/or partnership opportunities as information becomes available. Likewise, Agency shall provide Developer with information as to Agency funding and/or partnership opportunities as information becomes available

Section 809 Structured Parking

Developer's Proposal as part of the Affordable Workforce Housing Project includes two options for parking at the Site. Option A consists of forty-four (44) surface stalls to be used exclusively by the occupants of the Affordable Workforce Housing Project. Option B adds a parking garage (i.e., the "Garage") comprised of two below-grade levels of parking and a surface parking lot resulting in ninety-one (91) stalls of which twenty (20) are surface stalls to be utilized by the occupants of the Affordable Workforce Housing Project (i.e., the "Project Parking") and seventy-one (71) below-grade stalls to be used as parking for the general public (i.e., the "Public Parking").

It is anticipated that the Agency intends to support the creation of the Public Parking through the direct ownership, operation and financing of the Public Parking. Considering the various ownership and financing structures related to the parking associated with the Site, on or before May 31, 2023, Developer will provide Agency with the following preliminary data:

- the then current construction budget for both the Project Parking and the Public Parking, including specific cost allocation methodologies for soft costs and hard costs, and information and/or standards that support the proposed allocation methodologies;
- term sheet concerning ownership structure of the Garage, including identification of parties with an ownership interest;
- parking management of the Garage, including any proposed shared use (with the understanding that the operator of the Public Parking will be responsible for management of the use of the Public Parking); and
- allocation of stalls between the Project Parking and the Public Parking.

(collectively, the "Preliminary Parking Data").

On or before June 30, 2023, Agency will notify Developer of Agency's intent with respect to Agency providing support for Public Parking, including Agency's plan for any Agency participation in the ownership, operation and financing of the Public Parking.

The DDA will include negotiated terms related to the parking for the Affordable Workforce Housing Project, including funding, ownership, management, and operations.

Section 810 Ground Floor Activation

Developer's Proposal as part of the Affordable Workforce Housing Project includes an activated ground floor concept. The ground floor concept includes possible retail and office space uses, with the possibility of residential amenities as well. It is contemplated that these spaces on the ground floor will be sized in a manner to accommodate a flexible range of uses from small office space to larger restaurant space. The DDA will specify the general nature of this ground floor use and the specific development plan, recognizing that specific tenants and development details will not be available at the time the DDA is executed.

Agency recognizes that Developer is investigating potential ground floor users that may be supportive to the community or the Affordable Workforce Housing Project, but that also require alterations to the current ground floor layout in Developer's Proposal, and other aspects of the Site development (including the Public Parking or the Garage). Agency agrees to work together cooperatively and creatively to accommodate the needs of any potential ground floor users that may contribute to the community or the Affordable Workforce Housing Project. Agency recognizes that the cooperation may include subdividing the ground floor area into a separate sublease parcel or condominium unit(s) to accommodate the financing, development or use of the ground floor area.

Section 900 GENERAL PROVISIONS

Section 901 Notices

Formal notices, demands, and communications between Agency and Developer shall be sufficiently given if sent by registered or certified mail, postage prepaid and return receipt requested, to the principal offices of Agency and Developer as set forth below. Routine communication may be by first class mail, e-mail, facsimile, or telephone.

Agency
Suzanne Frick, Executive Director
Ketchum Urban Renewal Agency
P.O. Box 2315
191 5th Street
Ketchum, ID 83340
(208) 727-5086
sfrick@ketchumidaho.org

With a copy to:

Abigail R. Germaine
Ryan P. Armbruster

Elam & Burke, P.A.
251 E Front St, Ste. 300
PO Box 1539
Boise, ID 83701
(208) 343-5454
arg@elamburke.com
rpa@elamburke.com

deChase
J. Dean Papé
deChase Miksis Development LLC
1199 Shoreline Drive, #290
Boise, Idaho 83702
(208) 830-7071 (voice)
dean@dechase.com

With a copy to:

Anne C. Kunkel
Varin Thomas Corporate Services LLC
242 North 8th Street, Suite 220
Boise, Idaho 83702
(208) 584-1266 (voice)
(877) 717-1758 (fax)
anne@varinthomas.com

Wood River Community Housing Trust, Inc.
Steven Shafran
Woodriver Community Housing Trust
PO Box 7840
Ketchum, Idaho 83340
(208) 721-2725 (voice)
steve@wrcht.org

With a copy to:

Franklin G. Lee
Givens Pursley LLP
601 West Bannock Street
Boise, Idaho 83702
(208) 388-1200
franklee@givenspursley.com

Section 902 Remedies and Damages

Notwithstanding anything to the contrary contained in this Agreement, Developer's obligations hereunder are nonrecourse. Agency's only recourse and security for Developer's obligations shall be retention of the Deposit as provided herein. In the event of any legal proceeding described in this Section 902 between the Parties to this Agreement to enforce any

provision of this Agreement or to protect or establish any right or remedy of either Party hereunder, the prevailing Party shall recover its reasonable attorney fees, at trial and upon appeal, in addition to all other third-party costs and damages allowed, as determined by the Court.

Section 903 No Recordation

In no event shall any Party record this Agreement, or any memorandum hereof or otherwise encumber the Site by reason of this Agreement or the negotiations contemplated hereby.

Section 904 Successors and Assigns

No Party may assign or delegate its obligations under this Agreement without the written consent of each other Party hereto, which consent may not be unreasonably withheld or delayed. Except as otherwise set forth in this Agreement, the terms, covenants, conditions, and agreements contained herein shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the Parties hereto.

Section 905 Counterparts

This Agreement may be executed in counterparts, and each counterpart shall then be deemed for all purposes to be an original, executed agreement with respect to the Parties whose signatures appear thereon.

Section 906 Local Project Management

Mark Edlen of Trust shall serve as Developer's liaison and will be reasonably available to Agency.

Section 907 Computation of Time

In computing any period of time prescribed or allowed under this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last calendar day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday. As used herein, "legal holiday" means any holiday as defined by Idaho Code § 73-108.

Section 908 Anti-Boycott Against Israel Certification.

In accordance with Idaho Code § 67-2346, Developer, by entering into this Agreement, hereby certifies that it is not currently engaged in, or for the duration of this Agreement will not engage in, a boycott of goods or services from the State of Israel or territories under its control.

Section 1000 TERMINATION

Section 1001 Termination by Mutual Agreement

This Agreement may be terminated at any time by the written consent of the Parties. In the event of such termination, Deposit shall be refundable as set forth in Section 103 and neither Party shall have any further rights against or liability to the other under this Agreement.

Section 1002 Termination Due to Inability to Agree on the DDA Terms

Upon termination of this Agreement at the expiration of the Negotiation Period, neither Party shall have any further rights against nor liability to the other under this Agreement. If this Agreement is terminated for the Parties' failure to negotiate the DDA and Ground Lease acceptable to both Parties, Developer shall not seek reimbursement for costs and expenses from Agency, and Agency shall not seek reimbursement for costs and expenses from Developer, except to retain all or a portion of the applicable Deposit as provided in Section 103.

Exhibits

- Exhibit A** **Legal Description of Site and Map of the Site**
- Exhibit B** **Developer's Proposal**
- Exhibit C** **Schedule of Performance**

End of Agreement | *Signatures appear on the following page.*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

January 17, _____, 2023

AGENCY

THE URBAN RENEWAL AGENCY OF
THE CITY OF KETCHUM, also known as
KETCHUM URBAN RENEWAL AGENCY

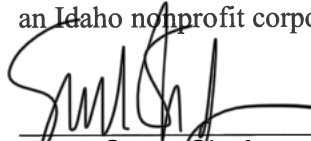


Susan Scovell, Chair

_____, Jan, 27 _____, 2023

TRUST

Wood River Community Housing Trust, Inc.,
an Idaho nonprofit corporation



By: Steve Shafran, President
Name: _____

_____, January, 26 _____, 2023

deChase

deChase Development Services LLC,
an Oregon limited liability company


By: J. Dean Pape', Manager
Name: _____

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

January 17, _____, 2023

AGENCY

THE URBAN RENEWAL AGENCY OF
THE CITY OF KETCHUM, also known as
KETCHUM URBAN RENEWAL AGENCY



Susan Scovell, Chair

_____, 2023

TRUST

Wood River Community Housing Trust, Inc.,
an Idaho nonprofit corporation

By: _____
Name: _____

January, 26 _____, 2023

deChase

deChase Development Services LLC,
an Oregon limited liability company



Digitally signed by Justin Dean Pape
DN: C=US, E=dean@dechase.com, O="deChase
Development Services, LLC", OU=Principal,
CN=Justin Dean Pape
Date: 2023.01.26 13:41:35-07'00'

By: J. Dean Pape , Manager

Name: _____

Exhibit A
Legal Description of the Site and Site Map

Lots 5, 6, 7 and 8 in Block 19, of the VILLAGE OF KETCHUM, as shown on the certified copy of the official map thereof, recorded as Instrument No. 302967, records of Blaine County, Idaho.



Exhibit B
Developer's Proposal

Exhibit C
Schedule of Performance

Task	Completion Date	Comments	Section Reference
Effective Date	Date Agreement signed by all Parties (last date signed)		000/102
Negotiation Period	Commences on the Effective Date and shall terminate one hundred eighty (180) days thereafter	Agency may extend the Negotiation Period an additional sixty (60) days without payment by Developer If Developer requests extension, an extension fee of \$5,000 may be required.	102
Deposit	Within fifteen (15) days of the Effective Date	\$10,000	103
Environmental Reports	Within thirty (30) days of the submission of Deposit by Developer, Agency to provide any reports to Developer.		205
Financing		Developer to provide Agency on or before 05/31/2023, with timeline and process to obtain bonding and utilization of IHFA programs.	807
Community Outreach			804
Preliminary Parking Data	Due to Agency by 05/31/2023		809
Reuse Appraisal	Must be completed prior to closing on DDA		300
Design Development Plan	Developer to provide Design Development Plan		201
Termination Date/Deadline for Developer to execute a mutually approved DDA	One hundred eighty (180) days after the Effective Date.	Unless extension provided.	102