



Ketchum Urban Renewal Agency

P.O. Box 2315 | 480 East Ave. N. | Ketchum, ID 83340

June 27, 2022

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO ADOPT RESOLUTION 22-URA09 AMENDING THE KURA FUNDING PARTICIPATION POLICY

Introduction/History

At the May 16, 2022, KURA meeting, the Board established a subcommittee to evaluate and recommend a funding policy for private development projects seeking KURA funding for public infrastructure.

The Subcommittee met May 25, 2022, and is recommending the following approach:

- KURA funding will consist of 40% of the costs for the following improvements associated with private development projects:
 - Pavers instead of concrete sidewalks. The reimbursement amount would be the cost differential between the pavers and a concrete sidewalk. Snowmelt would not be a reimbursable expense.
 - Installation of street trees.
 - Art or other public amenities within the public right of way.

These recommendations are reflected in attached Resolution 22-URA09, which amends the KURA reimbursement policy.

Recommendation and Motion

If the Board agrees with the Subcommittee recommendation, the motion would be:

“I move to adopt Resolution 22-URA09”.

Attachment: Resolution 22-URA09

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, AMENDING THE AGENCY'S 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 Board adopted a formal participation policy that sets out the criteria for funding projects requested by various entities on May 16, 2016;

WHEREAS, since May 16, 2016, the Agency has considered several requests for funding through the Participation Policy, which has raised the prospect for greater discretion and flexibility in response to requests for funding through the Participation Policy;

WHEREAS, by virtue of those requests, Agency staff has determined a need for an amendment to the Participation Policy;

WHEREAS, at the Agency Board meeting of June 19, 2017, the Board considered amendments to the Participation Policy;

WHEREAS, Agency adopted amendments to the Participation Policy July 17, 2017:

WHEREAS, the Agency adopted additional amendments to the Participation Policy on June 27, 2022;

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

Participation Policy KURA Funding Criteria for Projects

Section 1: General Funding Criteria for All Projects:

- A. 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.
- B. 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.
- C. Public infrastructure located below ground or at-grade shall be given priority.
- D. 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.
- E. Projects specifically identified in the 2010 Ketchum Urban Renewal Plan shall take priority for funding in all cases.
- F. All requests for Tax Increment Financing shall be made no later than thirty (30) days after the applicant applies for a building permits.
- G. The Agency shall not consider requests to fund public infrastructure that ~~have~~ ~~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.
- H. 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.

Section 2: Project Funding Categories

A. Reimbursement to Private Entities for Public Infrastructure

1. 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.
2. Reimbursement for public infrastructure shall commence after the project is generating a tax increment benefit to the Agency.
3. No more than 50% of the total tax increment revenue generated from a project may be used for reimbursement to the project developer
4. 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.
5. **KURA will fund 40% of the cost of the following:**
 - a. **Cost differential between concrete sidewalks and paver sidewalks, snowmelt systems will not be funded**
 - b. **Installation of street trees**
 - c. **Art or other public amenities in the public right-of way**

B. Direct Funding of Public Infrastructure as Defined in Idaho Code §§ 50-2018(10), 50-2903(13) and 50-2903 (14):

1. Tax increment funds may be used to directly finance public infrastructure without a reimbursement agreement.
2. 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.

C. Funding for Non-Infrastructure Requests:

1. 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.
2. 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.
3. Non-infrastructure funding request must result in a net financial benefit to the KURA.
4. Requests for funding administrative or operational costs shall not be considered except as may be proportionally allocated for the project.

D. Funding of Residential Projects:

1. 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.
2. 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 June 27, 2022. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on June 27, 2022.

URBAN RENEWAL AGENCY OF KETCHUM

By _____
Susan Scovell, Chair

ATTEST:

By _____
Secretary