



Ketchum Urban Renewal Agency

P.O. Box 2315 | 191 5th Street | Ketchum, ID 83340

November 14, 2022

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATIONN TO REVIEW, DISCUSS AND APPROVE RESOLUTION 22-URA11 TO PREPARE AN EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH WRCHT/DECHASE MIKSIS DEVELOPMENT TEAM

Introduction/History

The KURA issued a request for proposal on May 26, 2022, for a development team to construct workforce housing at the First Street and Washington Avenue KURA owned property (Attachment A). Proposals were due on August 26, 2022. Three proposals were submitted: WRCHT/deChase Miksis, Servitas, and Blueline Development. Since submittal of the proposals, an internal review group consisting of the KURA Executive Director, City Administrator, Ketchum Senior Planner, Ketchum Housing Strategist and Financial review by Shanna Zuspan with Agnew Beck, have been reviewing and evaluating the proposals. KURA attorneys assisted with the review process.

On October 7, 2022, supplemental questions were provided to each development team to clarify their proposal information. Responses were received on October 17, 2022, and reviewed by the internal review group. Interviews with each development team occurred on October 25, 2022, to further clarify information in the proposals. Attachments B, C, and D provides the final proposals and supplemental information.

This report provides a summary and evaluation of the three proposals against the criteria established by the KURA and contained in the RFP. Of the three proposals, the development team WRCHT/deChase Miksis ranked the highest and the internal review group felt this development team is best suited to accomplish the priorities of the RFP.

The Board is being asked to select a development team to enter into negotiations to finalize an Exclusive Right to Negotiate Agreement. This agreement will be brought back to the Board for approval. The agreement will allow the KURA and the selected development team to pursue a disposition and development agreement, as well as a long-term ground lease for the development of the 1st and Washington site. The mix of units, the KURA financial contribution, inclusion of public parking and other project details are not being decided at this time. Those decisions will return to

the Board as negotiations with the development team progress. At this time, the Board is deciding on the development team KURA selects to enter into negotiations to best achieve the RFP priorities as established by the Board. All three development teams expressed their willingness to present a development structure to achieve the KURA priorities.

RFP Priorities

The KURA set three goals for the development of the 1st and Washington site:

- **Goal 1.** Provide local, affordable workforce housing downtown, particularly for professionals and those essential to a strong, diverse downtown economy.
- **Goal 2.** Provide structured public parking in anticipation of long-term downtown growth and development.
- **Goal 3.** Provide active ground floor opportunities to maintain vibrancy of downtown.

To achieve these goals, the KURA developed specific priorities that were used to evaluate the proposals. The priorities consisted of:

Local, Affordable, Workforce Housing

The KURA seeks a project where 70% of the residential units are community housing rental units restricted to certain income levels. A maximum of 30% can be unrestricted market rate units. The community housing units must be prioritized for the local workforce as rentals with minimum one-year leases.

Community Housing Unit Income Targets

Income Range	Required Percent
Households earning 80% to 100% AMI	30% or more
Households earning 100% to 120% AMI	30% or more
Households earning 120% to 210% AMI	10% or more

Public/Private Parking

A successful development proposal would include either separate or shared public parking and private parking for the residential units in underground structured parking. The KURA did not require all existing public parking to be retained, however, projects that maximize underground parking infrastructure to provide as much public parking as practicable will be prioritized.

Ground Floor Activation

A successful project would provide activation and pedestrian orientation of the ground floor either through design elements or uses along all street frontages. Ground floor uses may be commercial; however, the KURA encourages consideration of community and civic uses on the ground floor that support the needs of the community and provide activation of the street. The KURA also encourages ground floor ADA accessible residential units. The KURA will consider proposals that are 100% residential with residential on the ground floor provided that the design of the building facilitates interaction with the street and implements the design review standards outlined in the Ketchum Municipal Code.

Innovation and Creativity

The KURA encourages innovation and creativity in design and programming to create a project that is unique and showcases the benefits of public private partnerships to enhance the downtown and support the economic growth of the community. The location and size of the property provides opportunities for unique public spaces, public art installations, rooftop amenities and uses that provide experiences for the community, and more. The KURA may award additional points for projects that clearly show innovation and creativity in the development program and design.

Proposal Summary and Assessment

A detailed summary of the proposals prepared by Shanna Zuspan with Agnew:Beck Consulting is provided in Attachment E. The following information provides an overall summary of the three proposals and evaluation for each proposal:

	deChase Option A	deChase Option B-1	deChase Option B-2	Servitas	BlueLine
Housing Units	66	63	63	64	41
Dwelling Unit/Acre	131	Presumably a similar split as Option A	Presumably a similar split as Option A	127	81
Community Housing	66			64	41
80-100% AMI	32%			30%	27%
100-120% AMI	30%			30%	32%
120-210% AMI	38%			11%	41%
Market Rate (or above 210% AMI)	0			30%	0
Parking					
Public Parking Stalls	0	71	71	68	36
Underground	0	71	71	68	36
Structured	0	0	0	0	0
Surface/Tuck under	44	20	20	0	28
Parking Ratio	0.67	0.32	0.32	1.06	0.68
Square Feet (SF)					
Residential SF	35,451	Presumably a similar split as Option A with more SF for parking	Presumably a similar split as Option A with more SF for parking	36,645	39,046
Non-Residential SF	2,454			1,527	3,460
Other Common Space [1]	8,475			25,688	1,755
Parking SF	15,400			41,140	21,729
Total SF	61,780			105,000	65,990
SF w/o Parking	46,380			63,860	44,261
Rents					
Rents Weighted Avg / Mth	\$1,855	Presumably similar to Option A	Presumably similar to Option A	\$3,200	\$2,264
Rents Weighted Avg Per SF / Mth	\$3.45			\$4.24	\$3.13
Weighted Average SF/Unit	537			756	723
Costs					
Total Development Cost (TD)	\$25,185,207	\$34,151,144	\$34,151,144	\$48,057,872	\$16,905,151
Parking Cost	\$1,320,000	\$9,029,084	\$9,649,939	\$9,829,196	\$1,284,000
Parking Cost/Space	\$30,000	\$127,170	\$135,915	\$144,547	\$35,695
TDC/SF	\$408	\$553	\$553	\$458	\$256
TDC/SF (excluding parking SF)	\$543	\$736	\$736	\$753	\$382
TDC/Unit	\$381,594	\$542,082	\$542,082	\$750,904	\$412,321
TDC/Unit (excluding parking cost)	\$361,594	\$398,763	\$388,908	\$597,323	\$381,004
Financials (Permanent Financing)					
Debt	\$0	\$0		\$0	\$13,549,028
Private Equity	\$427,597	\$430,000	\$430,000	\$0	\$2,156,124
Bonded Indebtedness	\$24,757,610	\$24,691,436	\$33,933,117	\$33,826,161	\$0
KURA Investment/Grant/Bonds [2]	\$212,597	\$9,241,681	\$560K per year + \$212K	\$14,231,711	\$1,200,000
KURA Investment/Unit	\$3,221	\$146,693	\$92,254	\$222,370	\$29,268
Other Investment/State incentives	\$215,000	\$215,000	\$215,000		\$0
Ground Lease	\$1	\$1	\$1	100% of excess cash flow to KURA	\$1
Parking Revenue	No public parking	KURA managed	Housing Trust managed	KURA managed	\$21K to developer
Developer Fee	\$1,809,436	\$1,809,436	\$1,809,436	\$2,000,000	\$1,000,000
Type	8.83%	8.83%	8.83%	Fixed	Fixed?

[1] Estimate of Other Common Space for Servitas based on data provided.

[2] KURA investment for deChase Option B-1 includes \$9 million in parking plus \$212K to support utility reconfiguration.

[3] KURA investment per unit for deChase Option B-2 assumes 10 years of a \$560K payment plus a one time payment of \$212K for utility reconfiguration.

Wood River Community Housing Trust/deChase Miksis

The WRCHT/deChase Miksis development team is experienced in developing multi-family deed restricted housing within Idaho. The team primarily consists of representatives from the Wood River Valley and Boise. Members of the team have developed, or are working on, equivalent projects to the 1st and Washington project in Hailey, Boise, Coeur d'Alene, Portland Oregon and Gresham Oregon.

Between 63-66 deed restricted units are proposed to meet the KURA affordability and workforce housing requirements depending on the inclusion of public parking. There are no market rate units proposed. Two scenarios are proposed, one that includes public parking and one that only provides parking for the residential units. The public parking scenario would consist of 91 parking spaces, 20 dedicated to the residential units and 71 public parking spaces. This scenario requires a contribution from the KURA to fund the public parking at a cost of \$9,029,084. In both scenarios, a KURA contribution between \$200,00-\$400,000 is requested for infrastructure improvements such as the relocation of electrical utilities. The following outlines the preliminary mix and affordability of the units as presented in the proposal. This mix can change through negotiations.

Unit size	80% AMI	100% AMI	120% AMI	155% AMI	Above 210% AMI	Total per Size	% of Total per Size
Studio		14	14	16		44	67%
1 br		4	4	7		15	23%
2 br		3	2	2		7	11%
3 br							
Total per AMI category		21				66	
% of Total per AMI		32%	30%	38%		100%	

	80% AMI	100% AMI	120% AMI	155% AMI	210% AMI	Above 210% AMI
Unit Type	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent
Studio		\$1,388	\$1,665	\$2,151		
1 br		\$1,585	\$1,902	\$2,305		
2 br		\$1,785	\$2,142	\$2,766		
3 br						

If selected, further negotiations and Board decisions would include:

- Inclusion of public parking and KURA contribution towards public parking
- Mix of units, less studios and more one-bedroom units if possible

Servitas

Servitas development team focuses exclusively on Public-Private Partnerships throughout the nation. The primary development team is located in Irving Texas and includes local team members such as the design consultant and civil engineer. The team has developed Public Private Partnership projects in Pagosa Springs Colorado, Summit County in Colorado, Miami Beach, Florida and Eureka California.

A total of 64 deed restricted units are proposed, 70% of the units will be set at 100% AMI to 210% AMI. As proposed, 30% of the units will be above 210% of AMI. Shared public and private parking is proposed for residents and the public. The requested KURA funding is to fund the public portion of the parking at a range of \$14,231,711- \$18,885,702. The following outlines the preliminary mix and affordability of the units as presented in the proposal. This mix can change through negotiations.

Unit size	80% AMI	100% AMI	120% AMI	210% AMI	Above 210% AMI	Total per Size	% of Total per Size
Studio	0	13	13	5	5	36	56%
1 br	0	5	5	1	10	21	33%
2 br	0	1	1	1	4	7	11%
3 br	0	0	0	0	0	0	0
Total per AMI category	0	19	19	7	19	64	
% of Total per AMI	0	30%	30%	10%	30%	100%	

	80% AMI	100% AMI	120% AMI	210% AMI	Above 210% AMI
Unit Type	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent
Studio		\$1,390	\$1,668	\$2,919	\$5,500
1 br		\$1,614	\$1,905	\$3,334	\$6,600
2 br		\$1,785	\$2,142	\$3,749	\$7,100
3 br					

If selected, further negotiations and Board decisions would include:

- Amount of KURA contribution in relation to the number of deed restricted units
- Proposed financing structure and compatibility with Idaho Law
- Ground floor activation

Blueline

Blueline development team has experience with over 50 multi-family affordable housing projects in Colorado, Montana, Wyoming, Utah and other states. The majority of their portfolio consists of projects developed with Affordable Housing Tax credits. In that model, Blueline forms partnerships with local non-profit organizations. The primary development team is located in Missoula Montana and includes local representatives for civil engineering and landscape architecture.

A total of 41 units are proposed. All the units would be deed restricted to meet the KURA affordability and workforce housing requirements. Parking consists of 64 spaces, 28 dedicated to the residential units and 36 public parking spaces. The requested KURA contribution for infrastructure is \$1,200,000. The following outlines the preliminary mix and affordability of the units as presented in the proposal. This mix can change through negotiations.

Unit size	80% AMI	100% AMI	120% AMI	150% AMI	200% AMI	Above 210% AMI	Total per Size	% of Total per Size
Studio	0	0	0	0	0	0	0	
1 br	0	9	0	3	11	0	29	71%
2 br	0	2	0	3	3	0	8	20%
3 br	0	0	0	1	3	0	4	10%
Total per AMI category	0	11	0	13	17	0	41	
% of Total per AMI		27%		32%	41%		100%	

	80% AMI	100% AMI	120% AMI	150% AMI	200% AMI	210% AMI	Above 210% AMI
Unit Type	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent	Proposed Monthly Rent
Studio							
1 br		\$1,585		\$2,233	\$3,170		
2 br		\$1,785		\$2,677	\$3,570		
3 br		\$1,982		\$2,973	\$3,965		

If selected, further negotiations and Board decisions would include:

- Refining project costs to ensure construction costs represent project construction costs in Ketchum and constraints of the site
- Quality of design
- Ground floor activation

Proposal Evaluation Results

Included in the RFP was the criteria for ranking the proposals (Attachment F). The internal review group reviewed the proposals, the supplemental information and participated in the follow-up interviews. There were 5 people ranking the proposals resulting in a total of 800 points possible for a proposal. The following is a summary of the total rankings based on the ranking criteria in the RFP:

	Available Points	Bonus Points Available	Total Points Available	WRCHT/deChase MiksisTotal Points	Servitas Total Points	Blueline Total Points
DEVELOPMENT TEAM						
Minimum Requirements: Comprehensive development team with all areas of expertise. Acceptable legal entity structure.	50		100	96	64	49
Preferred Outcome: Development team with some or all members based in the Wood River Valley		50				
PORTFOLIO AND RESUME						
Relevant experience of team members for proposed project. Demonstrated expertise developing mixed-income housing in urban settings, designing high performance buildings, producing contextually appropriate projects with high-quality results, innovation of complex parking systems, and strong communication skills in a public setting. Excellent references from previous project partners.	100		100	97	58	67
AFFORDABLE/WORKFORCE/COMMUNITY HOUSING						
Minimum Requirements: Minimum of 35 housing units; balanced mix unit types (studio, 1 bd, and 2bd); achieves target income category percentages	125		175	155	118	96
Preferred Outcomes: More units offered at the lower price points and longer-term pricing restrictions. Ground floor ADA accessible units. Increase minimum housing units.		50				
PARKING						
Minimum Requirements: includes both public and private parking. One level of underground parking	100		150	116	111	123
Preferred Outcomes: minimum of 1 space per residential unit, two levels of underground parking		50				
GROUND FLOOR PEDESTRIAN ORIENTATION						
Minimum Requirements: Pedestrian oriented design at ground floor level along all street frontages	25		75	57	20	41
Visionary Outcomes: Integrates unique and noteworthy architectural features. Innovative use of space that engages community members with memorable experiences. Public art installations.		50				
URBAN DEVELOPMENT AND ARCHITECTURAL DESIGN						
Minimum Expectations: Meets design review criteria and no requested variances from zoning regulations	75		125	89	77	84
Visionary Outcomes: Integrates unique and noteworthy architectural features. Innovative use of space that engages community members with memorable experiences. Public art installations.		50				
SUSTAINABILITY/GREEN BUILDING						
Minimum Expectations: NGBS or LEED Silver, or equivalent	25		75	54	21	0
Visionary Outcomes: Rooftop solar and other sustainable building systems above and beyond efficient fixtures and appliances		50				
TOTAL POINTS			800	664	469	460

Based on the review and rankings of the internal review group, staff is recommending the Board approve the proposed resolution selecting WRCHT/deChase Miksis as the preferred development team to enter into negotiations.

Next Steps

The next step is for the KURA to approve Resolution 22-URA11 (Attachment G) authorizing staff to negotiate an Exclusive Right to Negotiate (ERN) Agreement with WRCHT/deChase Miksis. By taking this action, the Board is not approving any financial commitments or decisions about the parking and mix of units. The Board is authorizing negotiations to begin with the top ranked development team. Key decisions will return to the Board for review and decisions.

Recommendation

Staff recommends the Board approve the following motion:

“I move to approve Resolution 22-URA11 approving the selection of WRCHT/deChase Miksis development proposal and directing staff to enter into negotiations for an Exclusive Negotiating Agreement with WRCHT/deChase Miksis.”

Attachments:

Attachment A:	1 st and Washington RFP
Attachment B:	WRCHT/deChase Miksis Proposal and Supplemental Information
Attachment C:	Servitas Proposal and Supplemental Information
Attachment D:	Blueline Proposal and Supplemental Information
Attachment E:	Agnew:Beck Summary of Proposals
Attachment F:	Ranking Criteria
Attachment G:	Resolution 22-URA11

ATTACHMENT A



1ST AND WASHINGTON REDEVELOPMENT

Request for Proposals



PROPOSALS DUE:
August 26, 2022



P.O. Box 2315 Ketchum, Idaho 83340
(208) 726-3841 www.ketchumura.org

REQUEST FOR PROPOSALS 1ST AND WASHINGTON REDEVELOPMENT PROJECT

PUBLICATION DATE: May 26, 2022

SUBMISSION DEADLINE: August 26, 2022, by 4:00 pm MT

INTRODUCTION AND STATEMENT OF PURPOSE

The Ketchum Urban Renewal Agency (KURA) is pleased to announce a development opportunity for an undeveloped parcel of land approximately 0.5 acres located at 211 E 1st Street in the City of Ketchum, ID (the “property”).

The mission of the KURA is to implement the projects identified in the [Ketchum Urban Renewal Plan](#). The specific actions of the KURA are prioritized each year during the budget cycle. In June 2021, the KURA identified the redevelopment of the 1st and Washington Ave property as one of the top priorities for the organization. In accordance with Idaho Code § 50-2011, the KURA is requesting proposals for the development of the property.

The KURA is seeking a creative and community focused Development Team (“Development Team” or “Developer”) with a proven track record in producing vibrant mixed-use downtown projects that include income restricted workforce housing, commercial or community space, and shared parking elements. Development Teams are not required to be Idaho based; however, knowledge of Idaho State laws and regulations is highly desirable. Development Teams that include local representation are encouraged. The KURA is offering the property through a long-term ground lease with no fee-title disposition of the property intended. The RFP process will culminate in an Agreement to Negotiate Exclusively (ANE) with the selected developer to guide discussions leading to the preparation of a Long-Term Ground Lease and/or Disposition and Development Agreement (DDA).



Subject Property

The property is commonly known as the 1st and Washington lot and consists of four lots totaling 22,000 square feet (0.5 acres), a half city block on N Washington Ave between 1st and 2nd Streets. A full legal description is included as Attachment A. All four lots are owned by the KURA and are currently leased to the City of Ketchum as a pay-to-park surface parking lot. The property is zoned Community Core – Subdistrict 2 – Mixed Use (CC-2), allowing a variety of uses with permissible building heights up to four stories.

Development Objective

A successful development proposal would include a four-story mixed-use development with an active ground floor, income restricted rental housing for local employees, a variety of unit sizes and price points, and shared private/public parking. The primary intent of the site is to provide between 35-70 income restricted rental housing units supporting people living and working in the City of Ketchum and Blaine County Idaho. See the section “Project Goals, Priorities, and Participation” for information regarding housing definitions and desired mix of income targeted units.

RFP Timeline

May 26, 2022	RFP Published
June 17, 2022	Deadline for Questions and Clarifications
June 29, 2022	Response to Questions
August 26, 2022 (4:00pm MT)	RFP Response Deadline
Aug 29 – October 31, 2022	RFP Review and interviews
November 2022	Proposal Selection and Agreement for ANE

PROJECT CONTEXT AND BACKGROUND

Ketchum and the Region

The City of Ketchum is in the Wood River Valley in south central Idaho. The Wood River Valley is located approximately 80 miles north of Twin Falls, Idaho; 154 miles east of Boise, Idaho, the state capital; 156 miles west of Idaho Falls, Idaho, which is near the Teton Mountain Range of western Wyoming and several entrances to Yellowstone National Park; and 296 miles northwest of Salt Lake City, Utah.

Founded in 1880 during the mining boom, Ketchum is now regarded as one of the most popular destinations for winter and summer visitors due to its world-class skiing, mountain biking, fishing, hiking, restaurants, art galleries, and shopping. In 2018, Ketchum was awarded designation by the International Dark-Sky Association as a Dark Sky Community and is included in the Nation's first International Dark Sky Parade, held on Labor Day weekend, and numerous other year-round attractions. Ketchum is home to more than 10,000 full- and part time residents.

In 2019, the City of Ketchum had a population of 2,855 according to the US Census. Ketchum has historically experienced a 1% growth in population. From 2019 to 2020, the City of Ketchum experienced a growth rate of approximately 25%, it is unclear if this was an anomaly because of COVID-19 or a future trend. The City of Ketchum has a strong community and a deep skiing heritage that continues to fuel the tourism economy today. The downtown has a variety of restaurants, bars, shops, entertainment venues, offices, and residences. Although skiing is what built the community

into what it is today, premium summer recreation opportunities create a busy summer that rivals winter.

Ketchum is surrounded by the Boulder Mountains to the north, Smoky Mountains to the west, and the Pioneer Mountains and its foothills to the east. Rivers are abundant, the Bigwood River, Trail Creek, Warm Springs Creek, Silver Creek, and the Salmon River provide exceptional recreation, wildlife viewing and fishing opportunities. Further north from Ketchum are the Sawtooth Mountains, the Sawtooth National Recreation Area (SNRA) and the White Cloud Mountains. This area has unlimited outdoor recreation opportunities seeing more than one million visitors per year. The Wood River Valley offers trails for hiking, biking, nordic skiing and star gazing.

Ketchum is part of the Central Idaho Dark Sky Reserve. The Central Idaho Dark Sky Reserve is the first of its kind in the United States and just one of 12 such reserves worldwide. The reserve stretches from Ketchum to Stanley and includes Blaine, Boise, Custer and Elmore Counties and the Sawtooth National Recreation Area. The total Reserve is 1,416 square miles, making it the third largest in the world. The reserve is a treasured resource for local residents and visitors from across the world that come to experience the wonder of a starry night.

Site Information and Site History

The 1st and Washington property is half a downtown city block located one block west of Ketchum's Main Street along N Washington Ave, between 1st and 2nd Streets. The property is in a prime downtown location within a block or two of the newly constructed Limelight Hotel (an Aspen Ski Company property), Argyros Performing Arts Center, various shops and restaurants, a grocery store, and the historic Forest Service Park. This area of downtown is bustling year-round with weekly summer concerts/events in the park, patio events and music at the Limelight Hotel, Wagon Days, Trailing of the Sheep, and other events.

The KURA has owned Lots 7 and 8 since 2006 and purchased Lots 5 and 6 from the City of Ketchum in 2018. The property is currently a public pay-to-park surface parking lot leased to the City of Ketchum. The site currently provides 60 public parking spaces that are encouraged to be maintained as much as practicable balancing other development priorities. Attachment B is a preliminary site plan that was prepared for the construction of the surface parking lot and includes some existing landscaping all utility infrastructure locations.

The property is located within the City's Urban Renewal District and is zoned Community Core Subdistrict 2 – Mixed Use (CC-2), which is intended for mixed-use development with a focus on promoting compact walkable commerce and aims to serve as a cultural center for Ketchum. In this zoning district, underground parking is encouraged. Below is an overview of the property and notable zoning requirements and restrictions pertaining to the CC-2 zone district. The full text of the zoning regulations including defined terms can be found in [Title 17 – Zoning Regulations of the Ketchum Municipal Code](#).

Location	211 E 1 st Ave, Ketchum ID 83340
Ownership	Ketchum Urban Renewal Agency
Site Description	Approximately 0.5 acres
Location	The Project Site is located within the downtown core of Ketchum, half a downtown city block located one block west of Ketchum's Main Street along N Washington Ave, between 1st and 2nd Streets.
Legal/Parcel	<ul style="list-style-type: none"> • Lot 5, Block 19 – unaddressed - RPK0000019005B – 5,500 square feet • Lot 6, Block 19 – unaddressed - RPK0000019006B – 5,500 square feet • Lots 7 and 8 - 211 E 1st Ave - RPK00000190070 – 11,000 square feet
Zoning	Zoning is Community Core (CC) in Subdistrict 2, Mixed Use
Parking Requirements Chapter 17.125	<p>Community housing/deed restricted housing units and units less than 750 square feet are exempt from parking requirements.</p> <p>Market rate residential units that are not deed restricted: 751-2,000 sf—1 parking space 2,001 sf and above—2 parking spaces</p> <p>Restaurants of any size and individual retail spaces less than 5,500 square feet are exempt from parking requirements.</p> <p>Office use, 1 space for every 1,000 sf of gross floor area</p>
Maximum Height Chapter 17.12	<p>42 feet for all buildings except:</p> <ul style="list-style-type: none"> - 52 feet for 100% deed restricted community housing projects - Projects with 4th floor require City Council approval <p>Solar and Mechanical height maximum: Five feet above roof surface</p> <p>Non-habitable structures on rooftops: Ten feet maximum</p>
Setbacks Chapter 17.12	<ul style="list-style-type: none"> - Front and Street Side (Washington Ave, 1st and 2nd Streets): 5-foot average for each floor - Alley: 3' (three feet) - Setback for 4th Floor: 10' (ten feet) – additional exemptions for 100% community housing projects
Floor Area Ratio (FAR) Chapter 17.124	<p>100% community housing projects: No FAR limit</p> <p>All other projects: 2.25 FAR</p>
Ground Floor Uses	Active pedestrian-oriented uses highly encouraged. Ground floor residential is permitted in the CC-2 zone district and may be considered by the KURA.
Permitted Uses Chapter 17.12	<ul style="list-style-type: none"> - Multi-Family residential - Business Support Service - Convenience Store - Food Service (restaurant)

	<ul style="list-style-type: none"> - Grocery Store - Instructional Service - Office, Business (not located on ground floor) - Personal Service - Retail Trade - Cultural Facility - Performing Arts
Land Use Permits Chapter 17.96	The Development Team will be responsible for the preparation and submittal of all required land use development and building permits. The City of Ketchum will require pre-application design review and final Design Review approval for the project including a project specific Development Agreement.
Impact Fees	All deed restricted community housing units are exempt from all City of Ketchum impact fees.
Infrastructure	<p>City sewer, water, natural gas, electric, and telephone are available to the site. DISCLAIMER: Utility descriptions are general. Contact utility providers for more information.</p> <p>The property currently contains four large Idaho Power transformers that will need to be addressed as part of the project.</p>
Green Building Requirements Chapter 15.20	The City of Ketchum requires all new residential construction to be LEED Silver, NGBS Silver, or equivalent. Third party verification is required.

The following documents have been provided as Attachments A-G for additional reference:

- A. Legal Description
- B. Parking Lot Site Plan
- C. Adjacent Uses Map
- D. Site Photos (compressed zip folder)
- E. Public Parking Utilization Data
- F. Title Report
- G. Environmental Reports

Relevant Plans

In addition to the project goals and priorities outlined below, development within the City of Ketchum should seek to achieve the goals and objectives of the [2014 Ketchum Comprehensive Plan](#). The City of Ketchum is focused on ensuring that all development within the community core (downtown) contribute to the vibrancy of the community by providing active ground floor uses and high-density residential housing options. In April 2022, the City of Ketchum Planning and Zoning Commission adopted a policy statement for successful projects in the community core. Please see Attachment H for that statement.

PROJECT GOALS, PRIORITIES, AND PARTICIPATION

Project goals

The development of the First and Washington site focuses on meeting the following goals:

- **Goal 1.** Provide local, affordable workforce housing downtown, particularly for professionals and those essential to a strong, diverse downtown economy.
- **Goal 2.** Provide structured public parking in anticipation of long-term downtown growth and development.
- **Goal 3.** Provide active ground floor opportunities to maintain vibrancy of downtown.

These goals were established through a KURA Board driven process with the intent to provide income restricted housing in Downtown Ketchum while also maximizing the public benefit of the land. Additionally, a robust stakeholder engagement process was conducted that affirmed and informed these primary project goals. The KURA conducted interviews with adjacent property owners and a community workshop in April 2022 to introduce the project to the community and gain feedback on the project goals and development priorities. A full overview of the community feedback including individual interviews and workshop can be found on the project website [HERE](#).

The project goals reference four housing terms that are closely associated. Please reference the following definitions for additional information about how the KURA is thinking about housing at this project site.

- **Local** – Housing prioritized for current or future employees of businesses located within the City of Ketchum and/or Blaine County.
- **Community Housing** – Community Housing is residential housing that is legally restricted as a rental or for sale unit based on applicable income and other requirements with a minimum rental duration of at least one year.
- **Workforce Housing** – Housing targeted for those earning 80% to 210% of the area median income (AMI) with a priority for individuals and families with jobs in Ketchum.
- **Affordable Housing** – Housing is considered affordable to a household if they are paying 30% or less of their income to housing costs.

Development Priorities

To achieve the project goals, the KURA has developed specifics related to each goal that would constitute a successful development proposal. The KURA may entertain proposals that do not meet all project goals; however, those projects may not rate as highly during the evaluation period.

Local, Affordable, Workforce Housing

The KURA seeks a project where 70% of the residential units are community housing rental units restricted to certain income levels. A maximum of 30% can be unrestricted market rate units. The community housing units must be prioritized for the local workforce as rentals with minimum one-year leases. A workforce prioritization policy will be developed between the KURA and the developer following selection to be included in the DDA and/or long-term ground lease. A successful project would include a proportionate share of studio apartments, one-bedroom, and two-bedroom units within the community housing portion of the project. Larger units are acceptable for the market rate units provided the other project goals are not compromised.

The following chart outlines the preferred split of target income categories identified by the KURA Board for the 1st and Washington project. The KURA may consider proposals that do not meet the income category mix as prescribed, however, proposals that do not provide at least 70% of the units as community housing rental units will not be considered.

Community Housing Unit Income Targets	
Income Range	Required Percent
Households earning 80% to 100% AMI	30% or more
Households earning 100% to 120% AMI	30% or more
Households earning 120% to 210% AMI	10% or more

Proposals that leverage public investment to increase the total percentage of community housing units in the project will be ranked more favorably in the evaluation criteria. Income restrictions and corresponding affordability must remain in perpetuity from the date the Ground Lease and/or DDA is executed, or other agreed upon milestone. Rental rates must meet the definition of affordable and will be based on household AMI for Blaine County as published annually by the United States Department of Housing and Urban Development (HUD).

Public/Private Parking

As noted in the description above, the property is currently operated as a pay-to-park surface parking lot with 60 spaces. A successful development proposal would include either separate or shared public parking and private parking for the residential units in underground structured parking. The KURA is not requiring all existing public parking to be retained, however, will prioritize projects that maximize underground parking infrastructure to provide as much public parking as practicable. A geotechnical study has not been conducted for the site, however, general knowledge of water table levels in the area suggest that two levels of underground parking would be technically feasible on the property. The KURA will consider innovative parking management plans that may include shared parking, permit parking, and pay-to-park. Pay-to-park will not be considered for the community housing rental units.

Ground Floor Activation

The property is located within the Community Core Mixed Use Subdistrict which allows projects that are 100% residential or mixed-use. A successful project would provide activation and pedestrian orientation of the ground floor either through design elements or uses along all street frontages. Ground floor uses may be commercial; however, the KURA encourages consideration of community and civic uses on the ground floor that support the needs of the community and provide activation of the street. The KURA also encourages ground floor ADA accessible residential units. The KURA will consider proposals that are 100% residential with residential on the ground floor provided that the design of the building facilitates interaction with the street and implements the design review standards outlined in the Ketchum Municipal Code.

Innovation and Creativity

The KURA encourages innovation and creativity in design and programming to create a project that is unique and showcases the benefits of public private partnerships to enhance the downtown and support the economic growth of the community. The location and size of the property provides opportunities for unique public spaces, public art installations, rooftop amenities and uses that provide experiences for the community, and more. The KURA may award additional points for projects that clearly show innovation and creativity in the development program and design.

Kura Participation

The KURA is offering the opportunity to develop the agency owned property at 1st and Washington through a long-term ground lease structure with no fee-title disposition of the property intended. The KURA can assist development projects with funding public infrastructure associated with the project and may also participate in the funding and management of public parking facilities. The KURA has not committed specific funding for reimbursement of public improvements or parking infrastructure for this project. Proposals shall outline all participation requests for funding or partnership needs from the KURA in the submittal materials for consideration by the KURA during the selection process.

SUBMISSION PROCESS

I. UPDATES

If you wish to receive email updates from KURA regarding this RFP when additional information becomes available, please email info@ketchumura.org with the subject line “RFP Updates” and provide the email address or email addresses that wish to receive updates. Updates to the RFP and other project information can also be found on the project website [HERE](#).

II. PROPOSAL SUBMISSION REQUIREMENTS

Please follow these instructions for submitting a proposal.

Provide four hard copies, bound, of all required submission materials. Hard copies shall be standard 8.5 x 11 with the exception of the development budget which may be submitted on 11x17 for ease of use. Hard copies shipped via UPS or FedEx must be sent to the physical address for the KURA. Copies shipped via the US Postal Service must be sent to the PO Box listed below.

Provide one electronic copy, via email, of all required submission materials utilizing a commonly available file-share service such as Dropbox, WeTransfer, or Google Drive. The required submittal documents, many of which must be signed and dated, must be organized into separate PDF or Excel files for each of the sections described below in “Required Submission Materials.” Please name each PDF or Excel file with a unique identifier for that section (i.e., the first file should be named “1_Cover Sheet.pdf”, the next “2_Acknowledgment & Release.pdf, etc.).

Submittals shall be addressed to the following:

Ketchum Urban Renewal Agency (KURA)
Attn: Suzanne Frick, Executive Director
191 5th Street West
PO Box 2315
Ketchum, ID 83340
info@ketchumura.org

KURA takes no responsibility for submittals received late or incomplete in any way. Those responding assume full responsibility for the timely submittal of all proposal documents via the email process.

III. QUESTIONS

All written questions, requests for clarification, or request to access the project site must be made prior to the RFP Questions and Clarifications deadline of 5:00 pm MT on June 17, 2022 by emailing info@ketchumura.org. All questions and clarifications will be distributed via email to all known interested entities and posted online [HERE](#) on June 29, 2022. Development Teams that pose questions to KURA will not be identified in the posted responses.

IV. AMENDMENTS, MODIFICATIONS, OR WITHDRAWAL OF PROPOSALS

A proposal may be amended, modified, or withdrawn prior to the submission deadline set forth herein.

V. REQUIRED SUBMISSION DOCUMENTS

The proposal format described herein is meant to allow for uniform review and ease of access to information by KURA. Proposals should conform to these formatting requests. All templates referenced below are included as Attachment I for use.

1. COVER SHEET

Fill out and sign the attached Cover Sheet (Attachment I.1). The individual listed on the Cover Sheet will be the point of contact if additional information or clarification on the submitted proposal is required.

2. ACKNOWLEDGMENT AND RELEASE

Fill out and sign the attached Acknowledgement & Release (Attachment I.2). Please provide the signed document as a pdf in the submittal package.

3. PROJECT PROPOSAL NARRATIVE

The proposal should explain the Development Team's proposed project. Describe the vision for the project and how it accomplishes the RFP's Project Goals, Priorities, and Participation. Articulate the public benefits created by the proposed project. Summarize the private investment objectives and the economic development benefits that it creates. It should be no more than five (5) pages in length (single spaced) and can incorporate images, diagrams, and tables. Be sure to address each item listed in the Development Priorities section of the RFP and outline any areas where the proposal adheres to or varies from the stated goals and priorities. If the proposal varies from the state goals, please describe why and how the overall project goals are met. The proposal should also discuss the project's anticipated adherence to City of Ketchum's Planning and Zoning regulations and the KURA Urban Renewal Plan.

4. QUALIFICATIONS AND EXPERIENCE

i. DEVELOPMENT TEAM

Please provide name, title, and organization of each: developer, architect, engineer, contractor, and proposed development legal entity included in the Proposal. Include address, phone numbers and email contacts for each. Please provide an organizational chart that also describes the development legal entity. Indicate whether the development entity has been formed and is registered with the state of Idaho. If it is not registered in the state of Idaho, please indicate when it will do so. The KURA encourages partnership with local developers, architects, and contractors who are familiar with the community and its history. Although it is not required to have members of the Development Team local, Development Teams with some members based in the Wood River Valley will rate higher.

ii. PORTFOLIO AND RESUME

List and briefly describe a minimum of three (3) relevant projects that the developer has completed and/or has underway. For each project provide an overview of the project including overall development program, number and mix of residential units (income target and type), total square footage of the project, development timeline summary, and whether the project was a public/private partnership. Additionally, provide a separate resume exemplifying relevant experience for the developer, architect, and contractor within the development team. Resumes should demonstrate a high level of proficiency in communication skills and professionalism related to the delivery of public projects in communities sensitive to change.

iii. REFERENCES

Provide three professional references for the developer including name, title, email, and phone number. References cannot be a member of the Development Team.

5. DEVELOPMENT PRO FORMA AND FINANCIAL STATEMENT

Fill out the excel template provided in Attachment I.3. The template is not a locked template and can be modified to add or delete rows. Providing notations in the template to outline additional information or assumptions is encouraged. The KURA understands that all projects are unique, however, please refrain from reformatting the template. The KURA will utilize a third party to assist in the review of financials for development proposals, therefore consistent information is critical. At a minimum, the submitted development pro forma should include the following:

1. Total development costs to include hard and soft costs and developer fee, if applicable.
2. The cap rate assumed and the capitalized value of the income stream.
3. A 10-year cash flow and IRR.
4. Static returns for the stabilized year (return on cost and cash on cash).
5. Rents by income level and number of units with approximate square footages.
6. A detailed net operating income so that assumptions are clearly identified.
7. Project Financing (debt sizing)

In addition to the development pro forma, please include financial statements proving the Development Team's financial capacity to deliver the proposed project. A letter of acknowledgment from a financial institution(s) which describes prior credit relationships, prior lending history/amounts/ range, anticipated parameters for lending on the proposed project, and confirms the member or entity is not in default is acceptable in lieu of or, in addition to, another form of a financial statement.

6. PROJECT SCHEDULE AND DEVELOPMENT TIMELINE

A preliminary development timeline is required and must include major milestones including but not limited to design planning and zoning approval, any additional land use entitlements, loan closings, land transfer, construction start, construction completion, and a rent/lease or sales schedule.

7. CONCEPTUAL DESIGN DRAWINGS

Provide conceptual design drawings that illustrates the vision for the project and how the proposed project fits within the context of the surrounding area. A technical drawing set is not required with this submittal; however, design drawings should include, at minimum, the following:

- Schematic drawings generally showing the building massing, proposed site layout, and conceptual streetscape elements.
- Provide typical floor plan of studio, 1 bedroom, and 2-bedroom unit layouts. KURA will accept estimated square footage of each unit type in lieu of floor plans.
- Site plan that includes the outline of the building, general pedestrian and vehicular circulation, and conceptual streetscape elements.

Additional sketches, diagrams, images, or plans that further explain the project are welcomed.

8. PROPOSED TERMS OF POTENTIAL KURA PARTICIPATION

If the Development Team will be seeking participation from KURA in any manner, please provide a description of the proposed KURA participation included in the proposal. Include information for any and all proposed KURA financial participation related to potential Public Improvements (utility infrastructure, streetscapes, street work), public parking, or other. Anticipated costs should be provided in the development pro forma template.

VI. EVALUATION CRITERIA AND SELECTION PROCESS

1. EVALUATION CRITERIA

The evaluation criteria provided represents KURA’s priorities and goals with development of this Project. This criterion will be used as a basis for the selection of the preferred proposal. A proposal that meets the Minimum Requirements may be awarded up to 100 points. Up to 60 additional points may be awarded based on the proposal’s alignment with KURA’s Preferred and Visionary Outcomes. A total of 160 points may be awarded. A sample evaluation form can be found in Attachment J.

2. PROCESS AND TIMELINE

The following provides a preliminary timeline and schedule for the RFP process and implementation. This schedule is preliminary and subject to change:

May 26, 2022	RFP Published
June 17, 2022	Deadline for Questions and Clarifications
June 29, 2022	Response to Questions
August 26, 2022 (4:00pm MT)	RFP Response Deadline
Aug 29 – October 31, 2022	RFP Review and interviews
November 2022	Proposal Selection and Agreement for ANE

i. DISTRIBUTION AND ADVERTISEMENT

The RFP will be advertised regionally and nationally, published in the Idaho Mountain Express and other news outlets, and noticed to known and seemingly interested parties and development publications.

ii. EVALUATION OF PROPOSALS

Proposals received prior to the submission deadline will be reviewed by KURA staff to confirm they meet the RFP's submittal requirements. The Development Team will be notified in writing if the proposal is deemed incomplete and will not be reviewed. KURA staff will continue to review all proposals that meet the submittal requirements.

At its discretion, KURA may choose to establish a Selection Committee. Development Teams may be asked to present to the Selection Committee or to the full KURA Board at a public meeting. Proposals will be judged based on the written submittals, presentations, and requested supplemental information, as applicable. The KURA Board reserves the right to interview or not interview Development Teams and reserves the right to conduct its fact finding and deliberation period as it determines necessary to evaluate proposals.

iii. SELECTION OF DEVELOPER

At a public meeting, KURA Board will select a proposal and, if applicable, determine the final ranking of other qualified proposals.

iv. AGREEMENT TO NEGOTIATE EXCLUSIVELY (ANE)

Once a proposal is selected, KURA will enter into an Agreement to Negotiate Exclusively (ANE) with the selected Development Team. The KURA Board has the authority to enter into an ANE but is not obligated to enter into an ANE under this RFP.

The ANE will help guide the development of the project and will set forth requirements and specifications that will need to be met and established. The ANE allows the selected developer to develop the project design and details and refine specific terms to be considered in the project. The ANE will allow the developer and KURA an opportunity to further evaluate the financial viability of the project and to investigate the developer's financial institutions and funding mechanisms. During this time KURA will obtain a reuse appraisal for the property, which will set the minimum amount the property may be disposed of as required by Idaho Code § 50-2011. The ANE will lay the groundwork for ultimately reaching an agreement for disposition or lease of the property by a Disposition and Development Agreement or Long-Term Ground Lease

v. LONG-TERM GROUND LEASE AND/OR DISPOSITION AND DEVELOPMENT AGREEMENT (DDA)

If an ANE is entered into with a selected developer, KURA may prepare a DDA and/or Long-Term Ground Lease which provides detail on the requirements and conditions precedent to the transfer of the Property to the selected developer. The Long-Term Ground Lease and/or DDA will include a schedule of performance by the selected developer and may require certain assurances that the project will be developed such as a performance bond, evidence of financing, and construction drawings.

The negotiated Long-Term Ground Lease and/or DDA will then be presented to KURA for final approval. KURA has absolute authority to approve a Long-Term Ground Lease and/or DDA and is under no obligation to enter into a DDA and/or Ground Lease.

vi. PROJECT INITIATION AND COMPLETION

Should a Long-Term Ground Lease and/or DDA be executed by the selected developer and KURA, the selected developer will then begin construction of the proposed project. In conformance with the timelines agreed to in the Long-Term Ground Lease and/or DDA, the selected developer will be under an obligation to complete the project construction within a specified time period.

VII. DISCLAIMERS/OTHER

KURA reserves the right to act in the public best interest and in furtherance of the purposes of the Idaho Code Title 50, Chapter 20 (Idaho Urban Renewal Law) and Idaho Code Title 50, Chapter 29 (Local Economic Development Act). KURA reserves the right to waive any formalities or defects as to form, procedure, or content with respect to this RFP and any irregularities in the proposals received, to request additional data and information from any and all Development Teams, to reject any submissions based on real or apparent conflicts of interest, to reject any submissions containing inaccurate or misleading information, and to accept the proposal or proposals that are in the best interest of KURA and the public. The issuance of this RFP and the receipt and evaluation of proposals does not obligate KURA to select a company nor award a contract. KURA may in its discretion cancel, postpone, or amend this RFP at any time without liability.

KURA is a public agency. All documents in its possession are public records subject to inspection and copying under the Idaho Public Records Act, Idaho Code §§ 74-101 through 74-126. The Public Records Act contains certain exemptions – including an exemption for trade secrets. Trade secrets include a formula, pattern, compilation, program, computer program, device, method, technique, or process that derives

economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons and is subject to the efforts that are reasonable under the circumstances to maintain its secrecy. Prices quoted in a proposal are not trade secrets.

If any Development Team claims any part of a proposal is exempt from disclosure under the Idaho Public Records Act, the Development Team must: 1) Indicate by marking the pertinent document "CONFIDENTIAL"; and 2) Include the specific basis for the position that it be treated as exempt from disclosure. Marking the entire proposal as "Confidential" is not in accordance with Idaho Public Records Act and will not be honored.

KURA, to the extent allowed by law and in accordance with these Instructions, will honor a nondisclosure designation. By claiming material to be exempt from disclosure under the Idaho Public Records Act, Development Team expressly agrees to defend, indemnify, and hold KURA harmless from any claim or suit arising from KURA's refusal to disclose such materials pursuant to the Development Team's designation. Any questions regarding the applicability of the Public Records Act shall be addressed to your own legal counsel prior to submission.

VIII. ATTACHMENTS

- A. LEGAL DESCRIPTION
- B. PARKING LOT SITE PLAN
- C. ADJACENT USES MAP
- D. SITE PHOTOS (COMPRESSED ZIP FOLDER)
- E. PUBLIC PARKING UTILIZATION DATA
- F. TITLE REPORT
- G. PHASE 1 ENVIRONMENTAL REPORTS
- H. KETCHUM PLANNING AND ZONING POLICY STATEMENT
- I. SUBMITTAL TEMPLATES (WORD AND EXCEL DOCS)
 - 1. COVER SHEET TEMPLATE
 - 2. ACKNOWLEDGMENT AND RELEASE TEMPLATE
 - 3. DEVELOPMENT PRO FORMA TEMPLATE
- J. SAMPLE EVALUATION CRITERIA FORM

ATTACHMENT E

Memo

To: Ketchum Urban Renewal Agency
From: Shanna Zuspan, Agnew::Beck Consulting
Date: November 8, 2022
Re: **Financial comparison of proposals**

From a financial and deal term perspective, Agnew::Beck reviewed the proposals submitted by three developer teams to build community housing and redevelop the 1st and Washington block on behalf of the Ketchum Urban Renewal Agency, as part of the recent RFP process.

Key Findings

- **Public investment justification.** Given the overall cost of construction, and rent limitations due to affordability requirements, all three submittals show a lower than market-rate return on cost (less than 6%) or a negative developer profit. This justifies a certain level of public investment in return for deed restricted affordable housing and public underground parking in Ketchum.
- **Housing impact.** Two of the submittals (Servitas and deChase) propose a similar number of housing units (64 and 66, respectively), while the BlueLine proposal has about 36 percent fewer units with 41.
- **Community housing requirement.** All three submittals offer community housing at the numbers required with a similar share (~30%) of housing in the lower income categories (80-100% AMI). The deChase proposal has the lowest weighted average rent per month at \$1,855 per unit and the Servitas proposal has the highest weighted average monthly rent at \$3,200 due the inclusion of 19 units that would serve those with household incomes higher than 210 percent of area median. BlueLine does not quite hit the preferred target of having 30 percent of the housing targeted toward households at 80-100 percent of AMI (came in at 27%). All three proposals have indicated a willingness to adjust the unit mix (number of bedrooms and affordability levels) at the direction of the KURA.
- **Parking plan.** All three proposals are different with regard to their parking plan. deChase offers an Option A and Option B. deChase's option A identifies 44 tuck-under spaces for the residential units and no public parking; deChase's Option B offers 71 stalls of underground parking with 20 tuck-under spaces for the residents. Servitas proposes 68 public stalls underground but does not identify any parking exclusively for residential. BlueLine proposes 36 public spaces of underground parking with 28 surface lots for the residential units.
- **Costs.** All three proposals shared pre-design concept level total development cost budgets with mostly reasonable order of magnitude costs. deChase is proposing a \$25 million housing project that increases to \$34 million under their Option B, which includes a \$9 million underground parking garage. Servitas proposes a \$48 million project including 68 underground parking spaces, with the highest total development

cost and cost per unit of all three proposers (see table on next page). BlueLine proposes a \$16.9 million housing project including 36 underground parking spaces.

- **Level of public investment.** The direct public investment requested by KURA varies among all three proposals. The deChase proposal includes a zero-dollar ground lease and under Option A, deChase requests very little public investment including ~\$212,000 from KURA to support utility reconfiguration, as well as incentives from the State and utility (~another \$200,000). Under the deChase Option B, the KURA would need to purchase a \$9 million underground parking garage and operate and maintain that garage or fund a \$560,000 annual master lease to support the operations of an underground parking garage. Servitas requests \$14.2 million for underground public parking. In return, Servitas proposes that 100 percent of the excess cash flow from the housing and parking garage after expenses and debt service go to the KURA. If projections are realized, this translates into an estimated ground lease of \$30 per land square foot per year or roughly \$600,000 per year on average for the first 10 years. The BlueLine proposal requests \$1.2 million in direct KURA investment to support the underground parking.
- **Financial statements.** All three developer teams submitted confidential financial statements in response to the RFP.

The following is a more detailed comparison of the financial components of the three proposals submitted.

Figure I Financial Comparison Table: 1st and Washington Proposals

	deChase Option A	deChase Option B-1	deChase Option B-2	Servitas	BlueLine
Housing Units	66	63	63	64	41
Dwelling Unit/Acre	131	Presumably a similar split as Option A	Presumably a similar split as Option A	127	81
Community Housing	66			64	41
80-100% AMI	32%			30%	27%
100-120% AMI	30%			30%	32%
120-210% AMI	38%			11%	41%
Market Rate (or above 210% AMI)	0			30%	0
Parking					
Public Parking Stalls	0	71	71	68	36
Underground	0	71	71	68	36
Structured	0	0	0	0	0
Surface/Tuck under	44	20	20	0	28
Parking Ratio	0.67	0.32	0.32	1.06	0.68
Square Feet (SF)					
Residential SF	35,451	Presumably a similar split as Option A with more SF for parking	Presumably a similar split as Option A with more SF for parking	36,645	39,046
Non-Residential SF	2,454			1,527	3,460
Other Common Space [1]	8,475			25,688	1,755
Parking SF	15,400			41,140	21,729
Total SF	61,780			105,000	65,990
SF w/o Parking	46,380			63,860	44,261
Rents					
Rents Weighted Avg / Mth	\$1,855	Presumably similar to Option A	Presumably similar to Option A	\$3,200	\$2,264
Rents Weighted Avg Per SF / Mth	\$3.45			\$4.24	\$3.13
Weighted Average SF/Unit	537			756	723
Costs					
Total Development Cost (TD)	\$25,185,207	\$34,151,144	\$34,151,144	\$48,057,872	\$16,905,151
Parking Cost	\$1,320,000	\$9,029,084	\$9,649,939	\$9,829,196	\$1,284,000
Parking Cost/Space	\$30,000	\$127,170	\$135,915	\$144,547	\$35,695
TDC/SF	\$408	\$553	\$553	\$458	\$256
TDC/SF (excluding parking SF)	\$543	\$736	\$736	\$753	\$382
TDC/Unit	\$381,594	\$542,082	\$542,082	\$750,904	\$412,321
TDC/Unit (excluding parking cost)	\$361,594	\$398,763	\$388,908	\$597,323	\$381,004
Financials (Permanent Financing)					
Debt	\$0	\$0		\$0	\$13,549,028
Private Equity	\$427,597	\$430,000	\$430,000	\$0	\$2,156,124
Bonded Indebtedness	\$24,757,610	\$24,691,436	\$33,933,117	\$33,826,161	\$0
KURA Investment/Grant/Bonds [2]	\$212,597	\$9,241,681	\$560K per year + \$212K	\$14,231,711	\$1,200,000
KURA Investment/Unit	\$3,221	\$146,693	\$92,254	\$222,370	\$29,268
Other Investment/State incentives	\$215,000	\$215,000	\$215,000		\$0
Ground Lease	\$1	\$1	\$1	100% of excess cash flow to KURA	\$1
Parking Revenue	No public parking	KURA managed	Housing Trust managed	KURA managed	\$21K to developer
Developer Fee	\$1,809,436	\$1,809,436	\$1,809,436	\$2,000,000	\$1,000,000
Type	8.83%	8.83%	8.83%	Fixed	Fixed?

[1] Estimate of Other Common Space for Servitas based on data provided.

[2] KURA investment for deChase Option B-1 includes \$9 million in parking plus \$212K to support utility reconfiguration.

[3] KURA investment per unit for deChase Option B-2 assumes 10 years of a \$560K payment plus a one time payment of \$212K for utility reconfiguration.

deChase Submittal

The Wood River Community Housing Trust in collaboration with deChase Miksis Development propose to build 66 studio, 1-bedroom and 2-bedroom housing units, with key characteristics described below. This development is labeled deChase.

- **Community housing share.** One hundred percent of the units will be community housing and deed restricted for those under 210 percent of AMI. This proposal has a weighted average monthly rent of \$1,855.
- **Public parking.** Option A from the deChase team proposes 44 surface parking spaces tucked under the building. The narrative indicates the spaces will be split between the retail and residential space. The pro forma does not identify any public parking spaces in Option A. The deChase team also proposed an Option B, which includes 63 workforce housing units with a 91-stall, 2-level below-grade parking garage.
- **Costs.** For Option A, the total development costs are estimated at \$25 million including \$1.3 million in tuck-under parking costs. The translates to a total development cost of \$543/SF (when excluding parking square footage) or \$381,000 per unit. Under Option B, the cost for a 91-stall below below-grade parking garage (including 20 spaces tuck-under) is estimated at \$9 million, assuming the KURA purchases the below grade parking and owns and operates the garage, as well as placing permanent financing on the garage. Option B-2 is similar to B-1, except the Housing Trust will own and operate (and place permanent financing on) the below-grade parking garage with an annual cost to the KURA of \$563,000 to master lease the public parking.
- **Proposed deal structure.** deChase will act as the owner and developer during the construction period and will be responsible for securing construction financing while the Housing Trust will provide the required equity through donations and/or mission aligned investors during construction. Permanent financing will consist of a mix of tax exempt and taxable bonds. Once construction is complete, deChase will transfer fee simple ownership to the Housing Trust to own and manage the community housing. The developer team will earn an estimated \$1.8 million developer fee at an 8.83 percent rate. KURA/Ketchum will provide a 50-year ground lease for \$1 per year with all assets reverting to KURA for \$1 at completion. All residential units will be rent restricted through a deed restriction or similar. KURA is expected to invest between \$200,000 and \$400,000 to assist in the relocation of electrical utilities on and adjacent to the project. The utility company and state are also named as possible investors offering incentives. Under Option B, the KURA will be required to fund an estimated \$9.0 million for a sub-surface parking garage or pay a \$563,000 annually to support a master lease of the sub-surface parking garage.

07 - CONCEPTUAL DESIGN DRAWINGS



Servitas Submittal

The Servitas developer team submitted a proposal to build 64 studio, 1-bedroom and 2-bedroom housing units, with key characteristics described below.

- **Community housing share.** Seventy percent of the units will be community housing and deed restricted for those under 210 percent of AMI with 30 percent of the units labeled as community housing by Servitas



because they will be deed restricted for those above 210 percent of AMI. This proposal has a weighted average monthly rent of \$3,200.

- **Public parking.** Servitas proposes 68 public parking stalls underground with no dedicated residential spaces, based on what has been submitted.
- **Costs.** The total development costs are estimated at \$48 million including \$9.8 million in underground parking costs at roughly \$144,000 per underground space. The translates to a total development cost of \$753/SF (when excluding parking square footage) or \$750,000 per unit.
- **Proposed deal structure.** Servitas will be a fee developer with a \$2 million fixed developer fee. KURA/Ketchum will master lease the project with ownership of the development residing with a “to-be-determined” 501-c3 as a way to secure \$33 million in tax exempt bond financing for the project. KURA is expected to invest \$14.2 million to support the construction of the public parking garage. The KURA retains the rights to all excess cash flow beyond operating expenses and debt service on the bonds, which is estimated to reach \$6.5 million in 10 years and \$181 million over 50 years (or \$2.1 million at stabilized year and \$600,000 as the average of the first 10 years). The original Servitas proposal requests a guarantee by the City/KURA to improve interest rates for the bonds. Servitas has indicated a willingness to finance the project differently, if this guarantee cannot be provided.

BlueLine Submittal

BlueLine Development proposes to build 41 1-bedroom, 2-bedroom, and 3-bedroom housing units, with key characteristics described below.

- **Community housing share.** One hundred percent of the units will be community housing and deed restricted for those under 210 percent of AMI. This proposal has a weighted average monthly rent of \$2,264. BlueLine fell short of identifying at least 30% of the units in the 80 to 100% of AMI category (proposal shows 27%), which was the preferred target according to the RFP. BlueLine did not propose any studio apartments.
- **Public parking.** BlueLine proposes 28 surface parking spaces and a 36 underground parking structure.
- **Costs.** The total development costs are estimated at \$16.9 million including \$1.3 million in parking costs at roughly \$35,000 per space. The translates to a total development cost of \$382/SF (when excluding parking square footage) or \$412,000 per unit.
- **Proposed deal structure.** In return for dedicated public parking and deed restricted affordable units, BlueLine is requesting a zero-cost ground lease and a \$1.2 million investment by KURA in the public parking.



ATTACHMENT F

SAMPLE EVALUATION SHEET

The evaluation criteria provided represents KURA's priorities and goals with development of the 1st and Washington Project. This criterion will be used as a basis for the selection of the preferred proposal. A proposal that meets the Minimum Requirements may be awarded up to 100 points. Up to 60 additional points may be awarded based on the proposal's alignment with KURA's Preferred and Visionary Outcomes for certain criterion as shown in parenthesis below. A total of 160 points may be awarded.

Development Team (10 points + up to 10 points)	
Minimum Requirements: Comprehensive development team with all areas of expertise. Acceptable legal entity structure.	[points]
Preferred Outcome: Development team with some or all members based in the Wood River Valley	[points]
Portfolio and Resume (20 points)	
Relevant experience of team members for proposed project. Demonstrated expertise developing mixed-income housing in urban settings, designing high performance buildings, producing contextually appropriate projects with high-quality results, innovation of complex parking systems, and strong communication skills in a public setting. Excellent references from previous project partners.	[points]
Affordable/Workforce/Community Housing (25 points + up to 10 points)	
Minimum Requirements: Minimum of 35 housing units; balanced mix unit types (studio, 1 bd, and 2bd); achieves target income category percentages	[points]
Preferred Outcomes: More units offered at the lower price points and longer-term pricing restrictions. Ground floor ADA accessible units. Increase minimum housing units.	[points]
Parking (20 points + up to 10 points)	
Minimum Requirements: includes both public and private parking. One level of underground parking	[points]
Preferred Outcomes: minimum of 1 space per residential unit, two levels of underground parking	[points]
Ground Floor Pedestrian Oriented Design (5 points + up to 10 points)	
Minimum Requirements: Pedestrian oriented design at ground floor level along all street frontages	[points]
Preferred Outcomes: Commercial, community, or civic uses along all street frontages. Public gathering space	[points]
Urban Development and Architectural Design (15 points + up to 10 points)	
Minimum Expectations: Meets design review criteria and no requested variances from zoning regulations	[points]
Visionary Outcomes: Integrates unique and noteworthy architectural features. Innovative use of space that engages community members with memorable experiences. Public art installations.	[points]
Sustainability/Green Building (5 points + up to 10 points)	
Minimum Expectations: NGBS or LEED Silver, or equivalent	[points]
Visionary Outcomes: Rooftop solar and other sustainable building systems above and beyond efficient fixtures and appliances	[points]
Total Points (160):	

ATTACHMENT G

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 A SELECTION FROM THE PROPOSALS RECEIVED FOR THE 1ST AND WASHINGTON REDEVELOPMENT PROJECT REQUEST FOR PROPOSALS; DIRECTING AGENCY STAFF TO NEGOTIATE AND FINALIZE AN EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH THE WOOD RIVER COMMUNITY HOUSING TRUST AND deCHASE MIKSIS DEVELOPMENT AND RETURN THAT AGREEMENT TO THE AGENCY BOARD FOR APPROVAL; 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;

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”);

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, on _____, 2022, 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 did interview each development team and thereafter provided findings of fact and comments to Agency staff; and,

WHEREAS, Agency staff has compiled all the information to arrive at the following preliminary recommendation for Agency Board consideration:

The Wood River Community Housing Trust (“WRCHT”) and deChase Miksis Development

WHEREAS, at its regular public meeting of November 14, 2022, the Agency Board discussed the proposals and thereafter met with consensus regarding the proposed recommendation shown above for development of the Site; and,

WHEREAS, in reviewing the proposals and directing Agency staff to finalize an Exclusive Right to Negotiate Agreement with the WRCHT/deChase Miksis Development team, the Agency reserves the right to reengage the other development teams should Agency staff be unable to finalize an Exclusive Right to Negotiate Agreement with WRCHT/deChase Miksis Development; and,

WHEREAS, the Agency Board finds it in the best public interest to approve the proposal selection as shown herein; and further, to authorize Agency staff to negotiate and finalize an Exclusive Right to Negotiate Agreement with the WRCHT/deChase Miksis Development team to be brought back to the Agency Board for approval.

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 Agency Board approves the preliminary recommendation and selection of:

The Wood River Community Housing Trust and deChase Miksis Development

Section 3: That the Agency Board directs Agency staff to negotiate and finalize an Exclusive Right to Negotiate Agreement (“Agreement”) with the WRCHT/deChase Miksis Development team and return that Agreement to the Agency Board for approval at a future public meeting, reserving the right reengage the other development teams should Agency staff be unable to finalize an Exclusive Right to Negotiate Agreement with WRCHT/deChase Miksis Development team.

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 November 14, 2022. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on November 14, 2022.

URBAN RENEWAL AGENCY OF KETCHUM

By _____
Susan Scovell, Chair

ATTEST:

By _____
Secretary
4859-8608-0574, v. 2