



Ketchum Urban Renewal Agency

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

July 26, 2021

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO REVIEW INFORMATION, DISCUSS AND PROVIDE DIRECTION FOR HOUSING AT THE KURA OWNED SITE AT FIRST AVENUE AND WASHINGTON AVENUE

Introduction/History

At the June KURA meeting, the Board requested there be a discussion and review of information on disposition or development of housing at the First and Washington KURA owned site.

Attached is information previously generated related to the disposition of the property. The attached information includes:

- City/KURA partnership on a Request for Proposal
- Procedures for disposition
- Idaho Statue related to disposition or disposal of URA property
- Sample RFP prepared by the KURA Attorney as background.

Recommendation and Motion

It is recommended the Board review the material and discuss options on how the future disposition of the property.



Ketchum Urban Renewal Agency

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

January 19, 2016

Chairman and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

Chairman and URA Commissioners:

Discussion and Approval letter from the KURA to the Ketchum City Council requesting to issue a Request for Proposals (RFP) on property owned by the City of Ketchum for redevelopment purposes

Introduction/History

The 2010 Urban Renewal Plan for the Ketchum Urban Renewal Agency designated the 211 1st Street property for affordable (community) housing and market rate housing. This property comprises a total of 11,000 square feet over Lots 7 and 8 of Block 19 in the Ketchum Townsite. This redevelopment designation for community housing is shown in Attachment 5.1 under the Other Capital Improvement Projects. The number of units called out for community housing is 25 and an additional 25 units are called out for market rate housing. The property currently owned by the KURA is adjacent to two additional city lots owned by the City of Ketchum, also comprising 11,000 square feet total. By seeking a redevelopment proposal for all four city lots, a higher quality project with a greater community benefit is more achievable on a 22,000 square foot lot (.25 acre). The KURA 2010 also calls out community housing and parking structures as general priorities for encouraging private development.

Current Report

KURA staff believes a redevelopment project involving both the KURA and City parcels would result in a better and more beneficial project than the Agency and City going their own ways on redeveloping their respective parcels. Under the Idaho Urban Renewal Law both the City and Agency are authorized to work cooperatively concerning property within an urban renewal project area. Property transfer between those two entities can proceed without regard to appraised value or following some of the restrictions concerning the City's disposition of property. Under the Idaho Urban Renewal Law, the Agency can dispose of property using a more qualitative competitive process as opposed to simply seeking the highest bidder for the property under an auction process. In addition to soliciting proposals for a specific use or uses that may be more attractive to the City and the Agency, the Agency is authorized to sell the property under a reuse

appraisal process as opposed to a fair market value process. In most instances a reuse appraisal results in a purchase price substantially less than fair market value and can be used as a “land write down” incentive for developers.

With this in mind, staff is recommending approval of the attached letter which requests the City of Ketchum to enter into a joint effort with the KURA for redeveloping these properties. Should the City be interested in pursuing this opportunity, staff suggests the City and Agency enter into a memorandum of understanding or letter of intent that would define the relationship and process. Without infringing upon those discussions, that document would address the following:

- Preparation, review, and approval of the formal Request for Proposals (RFP) for the parcels owned by the City and Agency
- The RFP would identify the preferred use or uses for the parcels, the selection process, and decision making schedule
- Assuming a qualified developer were selected, an agreed upon process to transfer the City parcels to the Agency in order to ultimately dispose of the property to the developer
- Agreed upon process for approval of design drawings and other documents
- Agreed upon timeline for the entire project.

The KURA suggests a timeline of at least 18 months to conclude the RFP process and select a developer based on qualifications. Likely there are other issues which would be addressed, but these appear to be the most important in order to begin the process.

If the City of Ketchum agrees to pursue this redevelopment project with the KURA, this project will likely become the focus for the KURA for at least the next two years. If successful, this project could likely fulfill several important directives of the KURA to provide housing, public parking, private investment, jobs, economic development, and vital redevelopment for the Ketchum community.

Financial Requirement/Impact

Submitting the letter to the City of Ketchum does not require any financial obligations except for staff's time and commitment.

Recommendation

Staff recommends approving the letter and authorizing the Chair of the KURA to sign.

Recommended Motion

“I move to approve the letter from the KURA to the City of Ketchum proposing a joint effort to seek development proposals for property owned by the KURA and the City of Ketchum comprising Lots 5, 6, 7, and 8 of Block 19, Ketchum Townsite.”



Ketchum Urban Renewal Agency

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

January 19, 2016

Mayor Jonas and City Council
City of Ketchum
480 East Avenue
Ketchum, ID 83340

RE: Joint Effort to Seek Development Proposals for Property Owned by the KURA and the City of Ketchum Comprising Lots 5, 6, 7, and 8 of Block 19, Ketchum Townsite (Washington Location) and Property Owned by the City of Ketchum on Lots 7 and 8 of Block 6, Ketchum Townsite (Leadville Location)

Dear Mayor Jonas and Ketchum City Council,

On behalf of the Ketchum Urban Renewal Agency, I have been authorized to ask the City of Ketchum to join with the Agency in seeking development proposals for the property owned by the KURA at 211 First Street and the adjacent City parking lot on 2nd Street and Washington ("Washington Location"). The KURA owns Lots 7 and 8 of Block 19 and the City of Ketchum owns lots 5 and 6 of Block 19 of the Ketchum Townsite.

In addition to the Washington Location, the KURA is also seeking approval from the City of Ketchum to proceed with issuing a Request for Proposal (RFP) on the lots currently owned by the City of Ketchum at 6th Street and Leadville Avenue comprising Lots 7 and 8 of Block 6, Ketchum Townsite ("Leadville Location").

As you know, the KURA's property at 211 1st Street is being used for construction staging purposes in conjunction with the Limelight Hotel. We understand construction of the Limelight Hotel may be completed by the end of calendar year 2016. Because of the amount of time that would be needed to complete the process described below, the Agency believes it prudent to commence discussions concerning redevelopment of the parcels owned by the KURA and the City in this location. For the Leadville Location, an identical process and timeline is proposed.

The KURA believes a redevelopment project involving both the KURA and City parcels would result in a better and more acceptable project than the Agency and City going their own ways on redeveloping their respective parcels. Under the Idaho Urban Renewal Law both the City and Agency are authorized to work cooperatively concerning property within an urban

renewal project area. Property transfer between those two entities can proceed without regard to appraised value or following some of the restrictions concerning the City's disposition of property. Under the Idaho Urban Renewal Law, the Agency can dispose of property using a more qualitative competitive process as opposed to simply seeking the highest bidder for the property under an auction process. In addition to soliciting proposals for a specific use or uses that may be more attractive to the City and the Agency, the Agency is authorized to sell the property under a reuse appraisal process as opposed to a fair market value process. In most instances a reuse appraisal results in a purchase price substantially less than fair market value and can be used as a "land write down" incentive for developers.

Should the City be interested in pursuing this opportunity, we suggest the City and Agency enter into a memorandum of understanding or letter of intent that would define the relationship and process. Without infringing upon those discussions, that document would address the following:

- Preparation, review, and approval of the formal Request for Proposals (RFP) for the parcels owned by the City and Agency
- The RFP would identify the preferred use or uses for the parcels, the selection process, and decision making schedule
- Assuming a qualified developer were selected, an agreed upon process to transfer the City parcels to the Agency in order to ultimately dispose of the property to the developer
- Agreed upon process for approval of design drawings and other documents

The KURA suggests a timeline of at least 18 months to conclude the RFP process for both locations and select a developer based on qualifications. Likely there are other issues which would be addressed, but these appear to be the most important in order to begin the process.

Please let me know whether the City would like to pursue this joint development process and we can take the next steps.

Sincerely,

A handwritten signature in dark ink, appearing to read "Baird Gourlay", written over a horizontal line.

Ketchum Urban Renewal Agency
Baird Gourlay, KURA Chair

Property Disposition

- Procedures for the disposition of property are set forth in Idaho Code § 50-2011. Property cannot be given to a private person/entity/non-profit without going through a competitive bidding process.
- Idaho Code § 50-2011(f): Property previously acquired or acquired by an agency for rehabilitation and resale shall be offered for disposition within three (3) years after completion of rehabilitation, or an annual report shall be published by the agency in a newspaper of general circulation...listing any rehabilitated property held by the agency in excess of such three (3) year period, stating the reasons such property remains unsold and indicating plans for its disposition.

RYAN P. ARMBRUSTER

251 East Front Street, Suite 300
Post Office Box 1539
Boise, Idaho 83701
Telephone 208 343-5454
Fax 208 384-5844
E-mail rpa@elamburke.com

May 18, 2015

**PERSONAL & CONFIDENTIAL
PRIVILEGED COMMUNICATION -
ADVICE OF COUNSEL**

Board of Commissioners
Ketchum Urban Renewal Agency

Re: Disposition of Agency Owned Property

Dear Board Members:

During the strategic planning session on May 1, 2015, Board members and Agency staff discussed, generally, the process and protocol of disposing of Agency owned property to achieve the objectives of the urban renewal plan. An urban renewal agency is required to comply with the provisions of Idaho Code § 50-2011 in disposing of its properties. A copy of that statute is enclosed for your review. The statute requires an urban renewal agency to proceed through a competitive, qualitative process prior to disposing of property to a private developer for redevelopment. An urban renewal agency could adopt its own disposition procedure; though, the procedure would still need to meet the objectives set forth in Idaho Code § 50-2011.

The purpose of the process described in Idaho Code § 50-2011 can be summarized as follows:

- The property should be made available to those private developers desiring or interested in redeveloping the property in compliance with the urban renewal plan.
- The property should be awarded to the developer who possesses the qualifications and ability to redevelop the property in compliance with the urban renewal plan and as set out in the request for proposals.
- The agency is free to accept the proposal it deems to be in the best public interest and in furtherance of the purposes of the Idaho Urban Renewal Law.
- The property must be redeveloped under an agreed upon schedule of performance and not held by the developer for land speculation.
- The agency may impose use restrictions on the property as the agency deems in its best interest.

- There must be a minimum of thirty days' notice of the agency's intent to enter into a contract with a selected developer for the redevelopment of the project.
- The developer must be willing to pay no less than the fair reuse value of the property as determined by an appropriate appraiser (fair reuse value does not necessarily equal fair market value). The agency could require a minimum purchase price in consideration of the disposition, so long as it is not less than the fair reuse value.

Thus, the statute sets out a fairly rigorous, though somewhat flexible, process for the agency to exercise its discretion in disposing of its properties. The statute requires qualified developers be provided an opportunity to respond to the agency's request for proposal and does not allow the agency to "cherry pick" a particular developer. Rather, the agency is required to seek proposals for the scope of development envisioned for the property.

If the Agency were to receive an unsolicited offer or proposal to dispose of its properties, the offer should be reviewed by Agency staff to determine whether the proposal is something the Agency should pursue and is legally allowed to pursue. If the decision is made to pursue the proposal, then Agency staff would need to create the necessary document to prepare a Request for Proposal/Request for Qualification (RFP) that would allow other interested developers to present their ideas on the redevelopment of the property. Other than the analysis of the proposal and the follow up activity of preparing the RFP, there would be no direct negotiation with any proposer until the RFP process has been completed and a selection of the most qualified developer is made. The selection criteria, selection schedule, and other details would also need to be considered at the time the RFP is issued.

I have enclosed a mock-up of a fairly straightforward RFP used by another urban renewal agency seeking to dispose of a parcel owned by the agency. This mock-up includes several provisions and references which would need to be customized for KURA if it is interested in disposing of any of its property holdings. The mock-up is not intended to apply to any particular parcel owned by KURA or address issues concerning any restrictions or limitations which may be present concerning any parcel.

Should you have any questions or concerns, please contact me.

Sincerely,

ELAM & BURKE
A Professional Association

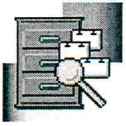


Ryan P. Armbruster

RPA/ksk

Enclosures

4849-4497-3348, v. 1



Idaho Statutes

TITLE 50 MUNICIPAL CORPORATIONS

CHAPTER 20 URBAN RENEWAL LAW

50-2011. DISPOSAL OF PROPERTY IN URBAN RENEWAL AREA. (a) An urban renewal agency may sell, lease, or otherwise transfer real property or any interest therein acquired by it for an urban renewal project, and may enter into contracts with respect thereto, in an urban renewal area for residential, recreational, commercial, industrial, educational or other uses or for public use, or may retain such property or interest for public use, in accordance with the urban renewal plan, subject to such covenants, conditions and restrictions, including covenants running with the land, as it may deem to be necessary or desirable to assist in preventing the development or spread of future slums or blighted areas or to otherwise carry out the purposes of this act: Provided, that such sale, lease, other transfer, or retention, and any agreement relating thereto, may be made only after the approval of the urban renewal plan by the local governing body. The purchasers or lessees and their successors and assigns shall be obligated to devote such real property only to the uses specified in the urban renewal plan, and may be obligated to comply with such other requirements as the urban renewal agency may determine to be in the public interest, including the obligation to begin within a reasonable time any improvements on such real property required by the urban renewal plan. Such real property or interest shall be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan except property disposed of by it to the community or any other public body which property must be disposed of pursuant to the provisions of subsection (f) of section 50-2015, Idaho Code, even though such fair value may be less than the cost of acquiring and preparing the property for redevelopment. In determining the fair value of real property for uses in accordance with the urban renewal plan, an urban renewal agency shall take into account and give consideration to the uses provided in such plan; the restrictions upon, and the covenants, conditions and obligations assumed by the purchaser or lessee or by the urban renewal agency retaining the property; and the objectives of such plan for the prevention of the recurrence of slum or blighted areas. The urban renewal agency in any instrument of conveyance to a private purchaser or lessee may provide that such purchaser or lessee shall be without power to sell, lease or otherwise transfer the real property without the prior written consent of the urban renewal agency until he has completed the construction of any or all improvements which he has obligated himself to construct thereon. Real property acquired by an urban renewal agency which, in accordance with the provisions of the urban renewal plan, is to be transferred, shall be transferred as rapidly as feasible in the public interest consistent with the carrying out of the

provisions of the urban renewal plan. Any contract for such transfer and the urban renewal plan (or such part or parts of such contract or plan as the urban renewal agency may determine) may be recorded in the land records of the county in such manner as to afford actual or constructive notice thereof.

(b) An urban renewal agency may dispose of real property in an urban renewal area to private persons only under such reasonable competitive bidding procedures as it shall prescribe or as hereinafter provided in this subsection. An urban renewal agency may, by public notice by publication in a newspaper having a general circulation in the community (thirty (30) days prior to the execution of any contract to sell, lease or otherwise transfer real property and prior to the delivery of any instrument of conveyance with respect thereto under the provisions of this section) invite proposals from and make available all pertinent information to private redevelopers or any persons interested in undertaking to redevelop or rehabilitate an urban renewal area, or any part thereof. Such notice shall identify the area, or portion thereof, and shall state that proposals shall be made by those interested within thirty (30) days after the date of publication of said notice, and that such further information as is available may be obtained at such office as shall be designated in said notice. The urban renewal agency shall consider all such redevelopment or rehabilitation proposals and the financial and legal ability of the persons making such proposals to carry them out, and may negotiate with any persons for proposals for the purchase, lease or other transfer of any real property acquired by the agency in the urban renewal area. The urban renewal agency may accept such proposal as it deems to be in the public interest and in furtherance of the purposes of this act. The agency may execute such contract in accordance with the provisions of subsection (a) and deliver deeds, leases and other instruments and take all steps necessary to effectuate such contract.

(c) An urban renewal agency may temporarily operate and maintain real property acquired by it in an urban renewal area for or in connection with an urban renewal project pending the disposition of the property as authorized in this act, without regard to the provisions of subsection (a) above, for such uses and purposes as may be deemed desirable even though not in conformity with the urban renewal plan.

(d) Any real property acquired pursuant to section 50-2007(d) may be disposed of without regard to other provisions of this section if the local governing body has consented to the disposal.

(e) Notwithstanding any other provisions of this act, and notwithstanding subsection (b) of this section, land in an urban renewal project area designated under the urban renewal plan for industrial or commercial uses may be disposed of to any public body or nonprofit corporation for subsequent disposition as promptly as practicable by the public body or corporation for redevelopment in accordance with the urban renewal plan, and only the purchaser from or lessee of the public body or corporation, and their assignees, shall be required to assume the obligation of beginning the building of improvements within a reasonable time. Any disposition of land to a nonprofit corporation under this subsection shall be made at its fair value for uses in accordance with the urban renewal plan. Any disposition of land to a public body under this subsection shall be made pursuant to the provisions of subsection (f) of section 50-2015, Idaho Code.

(f) Property previously acquired or acquired by an agency for rehabilitation and resale shall be offered for disposition within three (3) years after completion of rehabilitation, or an annual report shall be

published by the agency in a newspaper of general circulation published in the community listing any rehabilitated property held by the agency in excess of such three (3) year period, stating the reasons such property remains unsold and indicating plans for its disposition.

History:

[50-2011, added 1965, ch. 246, sec. 11, p. 600; am. 1985, ch. 183, sec. 1, p. 468; am. 1987, ch. 259, sec. 2, p. 538.]

KETCHUM URBAN RENEWAL AGENCY REQUEST FOR PROPOSAL (RFP)

The Ketchum Urban Renewal Agency (KURA) is pleased to announce the redevelopment offering for property (the “Lot”) located at _____ in Ketchum, Idaho. The Lot is depicted on Exhibit A.

KURA invites developers to submit redevelopment proposals for this site in conformance with pertinent zoning regulations for the city of Ketchum and the Ketchum Urban Renewal Plan (“Plan”). The Plan is available for review by contacting the Agency Executive Director, at 208-_____, via email at _____ or via mail at _____, Ketchum, Idaho _____.

This competitive proposal process is intended to allow interested developers to respond to development opportunities for property owned by KURA. KURA will negotiate an Exclusive Negotiation Agreement (ENA) with the selected developer to guide discussions leading to the preparation of a Disposition and Development Agreement (DDA). A summary of the contents of a DDA is included in this RFP.

1. Project Summary:

- Lot Description:
- Current Use:
- Current Zoning:
- Ownership: Ketchum Urban Renewal Agency
- Intended Use:
- Development Timeline: Construction of improvements must be commenced within ____ months of closing and completed within ____ months of closing.
- Price: To be negotiated (or set price), but in no case less than the fair value for uses in accordance with the Plan as determined by a fair use appraisal in accordance with Idaho law.

- 2. Background:** The city of Ketchum adopted the Amended Plan in 2010. The Plan was designed to address economic underdevelopment and physical deterioration and to promote the redevelopment of properties within the Plan area that are underserved due to a lack of public improvements and deteriorating public improvements, including, but not limited to, streets, sidewalks, pedestrian paths, and water and sewer utilities. The Plan, specifically

within the Plan area, is intended to provide an improved environment for new commercial and mixed use developments, eliminate unsafe and hazardous conditions, improve multi-modal transit and multi-modal parking opportunities, prevent the extension of blight and deterioration, promote sustainable development intended to minimize environmental impacts, and promote wise use of natural resources, including water resources. The redevelopment is generally anticipated to include a wide range of mixed uses, including

3. **Project Objective:** KURA is seeking business owners and developers who are prepared to pay no less than the fair re-use amount for the Lot (or minimum value) and who are willing to develop the Lot for purposes and uses in conformance with the Plan, and applicable zoning ordinances enacted by the city of Ketchum.
4. **Development Requirements:** The development will conform to the requirements of all development and zoning regulations, including the applicable zoning ordinances enacted by the city of Ketchum and the Plan.
5. **Submittal Requirements:** The proposer shall:
 - Submit a cover letter which outlines the relevant details of the development proposed to be constructed on the Lot, including, but not limited to: type of business to be conducted; business plan; size of structure, basic design, including one or multiple story configuration;
 - Identify business partners, principals, design professionals, and other proposed development team members, highlighting similar relevant project experience and past successful development projects;
 - Preliminary concept development plans including concept site plan, floor plans, and building elevations;
 - Identify any proposed phasing or development sequencing proposed and the timing and schedule of all such phasing;
 - Preliminary project pro-forma, including project funding sources and development and revenue estimates that demonstrate project viability;
 - Be willing to execute a DDA; and
 - Execute release documents as attached at time of submission of proposal.

One (1) original and four (4) copies of the project proposal, **including the release form**, should be submitted to Agency as follows:

Ketchum Urban Renewal Agency
Attn: _____

Ketchum, Idaho _____

All proposals shall be clearly marked as “Ketchum Urban Renewal Agency Property Proposal.” Proposals must be received by Agency at the above address by _____ on _____, 2015. Proposals submitted after this deadline will not be considered. Faxed or e-mailed proposals will not be considered.

KURA reserves the right to reject any and all proposals submitted, or to waive any minor formalities of this request if, in the judgment of the KURA Board of Commissioners, the interest of KURA would be served.

6. KURA Selection Criteria: KURA will select the preferred development proposal based on the following criteria:

- How the proposed development meets KURA’s goals and objectives as outlined in the Plan.
- Probability of the proposed development’s success – based upon the stability of the developer, demonstrated success based on past development projects undertaken by the developer, market analysis, business plan, and timeline.
- Developer’s expectations of KURA assistance, if any, for the project’s success.

7. Deadline:

- Proposals due to KURA _____, 2015

8. Other Information: All questions regarding this RFP should be directed to the Agency Executive Director, at 208-_____, via email at _____ or via mail at _____, Ketchum, Idaho _____. Only written responses from Agency will be deemed official responses.

9. KURA Discretion and Authority: KURA may accept such proposals as it deems to be in the public interest and furtherance of the purposes of the Idaho Urban Renewal Law, the Plan, or it may proceed with further selection processes, or it may reject any and all submissions. KURA will determine from the information submitted in the responses, the most qualified developer as evaluated under the criteria set forth herein. Final selection will be made by the KURA Board.

The issuance of the RFP and the receipt and evaluation of submissions does not obligate KURA to select a developer and/or enter into the ENA. Submissions do not constitute business terms under any eventual Exclusive Right to Negotiate Agreement. KURA will not pay costs incurred in responding to this RFP. KURA may cancel this process at any time prior to the execution of an Exclusive Right to Negotiate Agreement without liability.

10. Public Nature of All Submissions: This RFP is a public process therefore information collected under the RFP is of public record. The information that is received by KURA may be subject to disclosure under the Idaho Public Records Law. It is anticipated that submissions to this RFP will contain little or no material that is exempt from disclosure

under the Idaho Public Records Law. Any questions regarding the applicability of the Public Records Law should be addressed by your own legal counsel PRIOR TO SUBMISSION. Any proprietary or otherwise sensitive information contained in or with any proposals may be subject to potential disclosure.

Accordingly, RFP Respondents should take the following steps with respect to any information believed to be exempt from disclosure or confidential:

On any items submitted with the RFP that the Respondent believes are exempt from disclosure under the Idaho Public Records Law, clearly mark the upper right corner of each page of any such document or material with the word “Exempt”. This does not mean the document qualifies under the legal definition of eligibility, but KURA will evaluate the request to make the document/page exempt if the content meets the legal requirement otherwise the document will be considered public.

KURA’s disclosure of documents or any portion of a document submitted and marked as exempt from disclosure under the Idaho Public Records Law may depend upon official or judicial determinations made pursuant to the Idaho Public Records Law.

- 11. Summary of Disposition and Development Agreement:** The following summary has been prepared to provide an overview of the contents of the DDA the Ketchum Urban Renewal Agency (“KURA”) will prepare for execution with the selected developer for the Lot.

The DDA will contain 13 sections. The sections will cover the following:

- a. Section 1 will contain definitions of relevant terms contained in the DDA.
- b. Section 2 will identify the parties to the agreement and reference KURA’s urban renewal plan. This section will also cover the powers and limitations of an urban renewal agency when disposing of real property, which are contained in Idaho Code § 50-2011.
- c. Section 3 will cover the pre-closing due diligence period, property investigation, and title issues that may arise.
- d. Section 4 will deal with the selected developer’s proposed financing for the project and KURA’s assessment of the financial viability of the proposed project, based on the firm commitments from lenders and financiers and when such commitments are required.
- e. Section 5 covers the disposition of the property to the developer and the property closing details.
- f. Section 6 will detail the condition of the property and any representations made by KURA concerning the same. KURA anticipates disposing of the property in “as is” condition.

- g. Section 7 will set forth the development of the project and memorialize the project proposed project. KURA anticipates providing some assistance to the developer for the project. The assistance will be based on the completion of the proposed project as detailed in Section 7.
 - h. Section 8 provides KURA's requirements for insurance and indemnification of KURA.
 - i. Section 9 sets forth the mechanism KURA will use to determine the difference between the fair market value of the Property and the fair re-use value of the Property. By law KURA cannot dispose of real property for an amount less than the fair re-use value of the property. The fair re-use value of the Property will be calculated by assessing the design and construction costs of the proposed project to determine the minimum land acquisition cost that would enable the developer to construct the proposed project and earn a profit from the endeavor, as opposed to suffering a financial loss. The fair re-use value will be determined by an appraiser engaged by KURA, who will consider the construction and design costs, financing costs, the marketability of the proposed project, and the developer's entrepreneurial incentive. KURA anticipates a minimum purchase price of \$_____.
 - j. Section 10 will contain obligations concerning the continued use of the Lot in compliance with the Plan and the obligation of the Property owner to pay real property taxes assessed by the County Assessor. KURA does not assess property taxes.
 - k. Section 11 will cover the potential for developer or KURA defaults of the DDA and remedies for the parties.
 - l. Sections 12 and 13 will contain standard contract provisions concerning assignment rights, notices and demands, and how the parties will coordinate with each other.
- 12. Reservation of Rights.** KURA may terminate the RFP process at any time for any reason with no requirement to disclose its reasoning.

KURA also reserves the right to reject any RFP respondents at any time, or to terminate any negotiations implied in this RFP or initiated subsequent to it.

KURA may change any part of the RFP process at any time for any reason.

If KURA is unable to reach a satisfactory agreement with a selected development entity, KURA may terminate negotiations with a selected development entity and commence negotiations with the next highest ranked RFP respondent and so on or, in its sole discretion, determine not to enter into an ENA of DDA with any of the respondents and terminate the process.

KURA may accept such proposals as it deems to be in the public interest and furtherance of the purposes of the Idaho Urban Renewal Law, the Plan, or it may proceed with further

selection processes, or it may reject any submissions. KURA will determine, from the information submitted in the responses, the most qualified proposal to meet the stated duties as evaluated under the criteria set forth herein. The KURA Board will make the final selection.

The issuance of the RFP and the receipt and evaluation of submissions does not obligate KURA to select a proposal and/or enter into any agreement. Any submission does not constitute business terms under any eventual agreement. KURA will not pay any costs incurred in responding to this RFP.

4848-6285-6996, v. 1