



City of Ketchum

**CITY COUNCIL MEETING AGENDA MEMO**

Meeting Date:  Staff Member/Dept:

Agenda Item:

**Recommended Motion:**

There is no recommended motion. Staff is seeking general policy direction from the City Council regarding public parking options for project.

**Policy Analysis and Background:**

- During the November 18 joint Urban Renewal Agency (URA) and City Council meeting, a majority of the City Council did not support the financing plan for the public garage, which consisted of about half the funds financed via a Local Improvement District and the rest through city/URA issued bonds.
- Staff revised the financing plan to increase the LID contribution from \$8m to \$13m and decrease the City/URA contribution. This required the boundaries of the LID to be re-examined, resulting in options that include three and four zones.
- The new LID options were reviewed with the Ketchum Business Advisory Coalition on December 12. They gave general support for the four-zone option.
- Staff presented this revised concept to the URA Board on December 16. They gave general support to explore the four-zone LID option further. Should Council affirm the new financing plan, staff would proceed with more public outreach, as the previous public input did not include specifics about a larger, four-zone LID area. Staff would return with updated findings at a joint meeting with URA Commissioners in February.

**Sustainability Impact:**

None

**Financial Impact:**

None OR Adequate funds exist in account:	There is no immediate financial request.
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**Attachments:**

- |  |
|--|
| <ol style="list-style-type: none"> <li>1. Staff report from URA 12-16-24 meeting</li> <li>2. Presentation</li> </ol> |
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## **Ketchum Urban Renewal Agency**

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**P.O. Box 2315 | 191 5<sup>th</sup> Street | Ketchum, ID 83340**

December 16, 2024

Chair and Commissioners  
Ketchum Urban Renewal Agency  
Ketchum, Idaho

### **RECOMMENDATION TO PROVIDE DIRECTION TO STAFF ON SCOPE AND FUNDING FOR FIRST + WASHINGTON WORKFORCE HOUSING PROJECT**

#### Introduction/History

On November 18, 2024, the KURA and City Council held a joint meeting to discuss the six public parking options, cost estimates and a potential funding approach for the First + Washington workforce housing project. General direction was provided by both the KURA and City Council. Staff requests the KURA provide formal direction on next steps for the project.

#### Action Since Joint Meeting

##### *Survey*

The KURA made a commitment to transparency and public outreach for the First + Washington project. KURA has conducted multiple open houses and meetings to gather feedback. As a means to follow with the public since the July public open house, after the joint KURA/City Council meeting, a survey was conducted to gather community feedback on parking option 6, the funding tradeoffs and support for a local improvement district. The survey closes on Friday December 13<sup>th</sup>. Results to date are included in Attachment A, final results will be presented at the KURA meeting.

The following are the survey results to date:

- All respondents strongly prefer including the public parking garage with the 1st and Washington community housing project.
- All respondents strongly support using KURA and City of Ketchum funds to include the parking garage with the project, even if it meant funding for other capital improvements would not be available over the next 20 years.
- All but one demographic strongly supports funding the additional parking structure with an LID assessment applied to the 4.5-block radius around the development. Business owners who own their buildings are less certain: 55% in favor and 45% opposed.
- If an LID were used to fund the parking structure, all respondents strongly support the assessment applying to all downtown Ketchum instead of just a portion.

*Ketchum Business Advisory Coalition Meetings*

The Ketchum Business Advisory Coalition (KBAC) hosted a public meeting on December 3, 2024 to provide information and discuss the formation of Local Improvement District. At that meeting, the KBAC board expressed support for Parking Option 6 and encouraged further exploration of a Local Improvement District (LID) to assist with funding.

City and KURA staff met with the KBAC board on Thursday December 12<sup>th</sup> to review an LID funding option that decreased the KURA and city contributions towards the parking structure and spread the cost to a larger LID area. The KBAC board generally supports the revised LID proposal. The following outlines the concept presented to KBAC:

	Funding Presented at Joint Meeting	Revised Proposal
Project Cost	\$21 million	\$21 million
City/KURA Contribution	\$8.5 million	\$5 million
KURA Cash	\$4 million	\$3 million
LID	\$8.5 million	\$13 million

Staff will present the details of the alternative LID proposal at the KURA meeting.

KURA Funding

During the joint meeting, the majority of the board expressed concern about providing additional funding for the parking structure and eliminating funding for other public infrastructure projects. To date, the board has committed up to \$8.5 million towards the project. If the project is approved, \$500,00 will be reimbursed back to KURA.

The \$8 million contribution is predicated on the interest rate for the senior and junior debt for the project and associated infrastructure improvements. It is likely that the full \$8 million will not be required to offset the cost of the project debt and a portion of that funding could be used to fund the public parking. KURA could take the approach that up to \$8 million would be pledged towards the project and that funding could be used for project infrastructure or public parking. This approach does not require any additional KURA funds other than those currently committed and retains the availability of funding for other projects as outlined in the KURA Capital Improvement Plan.

Next Steps

Staff is seeking direction from the KURA on the following:

- Does the KURA support inclusion of public parking in First + Washington subject to the revised funding distribution and with the condition KURA’s contribution towards the project infrastructure and parking does not exceed \$8 million.
- Does KURA want to include Parking Option 6 as the project submitted for Planning and Zoning Commission approvals.
- KURA does not support the public parking option and wants to pursue the original project proposal and submit that project for Planning and Zoning Commission approval.

An aerial photograph of a city street intersection. The image shows a large paved area with several cars parked and a few cars driving. There are buildings on the left and right sides of the street. The word "KURA" is overlaid in large white letters on the left side of the image.

# KURA

# 1<sup>st</sup> & Washington Avenue Redevelopment and potential Parking Structure

**Final Survey Results**

January 6, 2025

## RESPONDENTS

- **Total: 604**
- **Participant demographics**
  - 107 Business owners in Ketchum who own their building
  - 94 Business owners in Ketchum who lease their building
  - 311 Ketchum residents who own their property
  - 36 Ketchum residents who rent their property
  - 114 Employees who work in Ketchum

*Note: respondents may identify as one or more of the demographics above*

- **Duration: November 26, 2024-January 2, 2025**

# Summary

- All respondents strongly prefer including the public parking garage with the 1<sup>st</sup> and Washington redevelopment project (83.42% approval).
- All respondents strongly support using KURA and City of Ketchum funds to include the parking garage with the project, even if reduced availability of capital improvement funding for other projects over the next 20 years (89.6% approval).
- All but one demographic strongly supports funding the additional parking structure with an LID assessment applied to the 4.5-block radius around the development (64.85% approval).
  - Business owners who own their buildings are less certain: 55.17% in favor.
- If an LID were used to fund the parking structure, all respondents strongly support the assessment applying to all of downtown Ketchum instead of just a portion (66.21% approval).



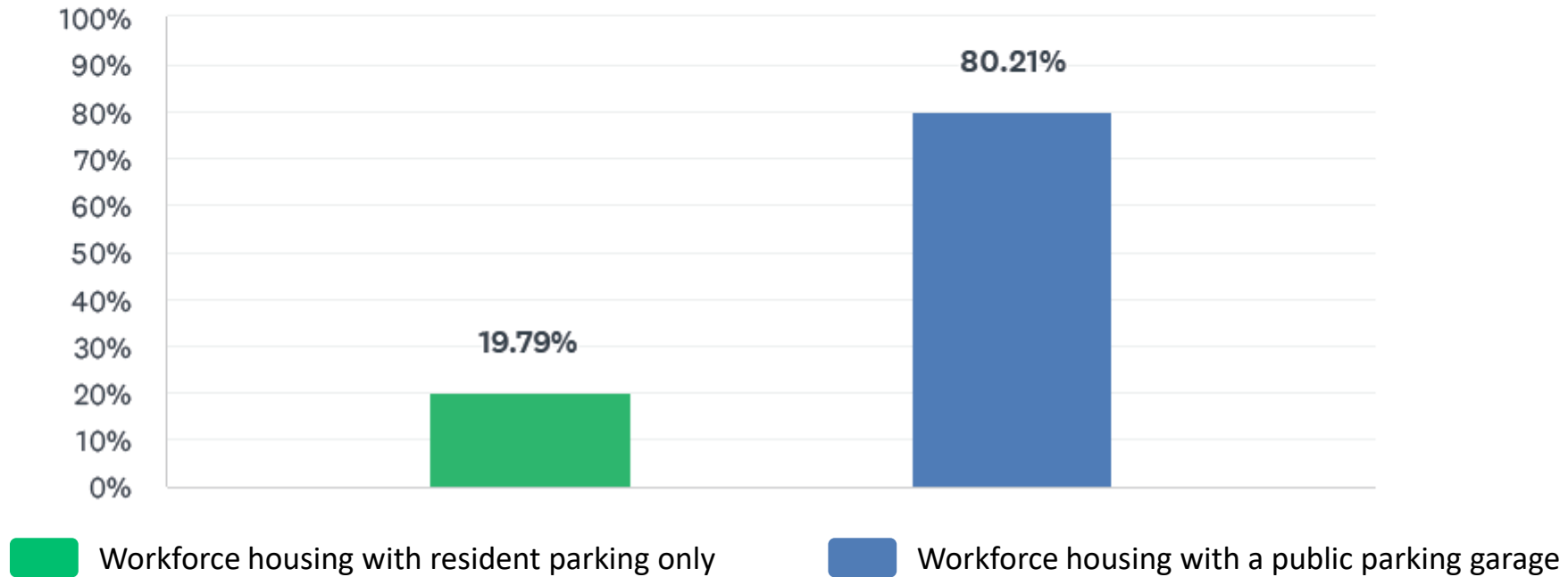
# Results

**Business owners in Ketchum who own their building**

*(107 respondents)*

Q2 Please consider the two workforce housing development options above (with and without public parking), and their cost implications, and select the one you'd prefer:

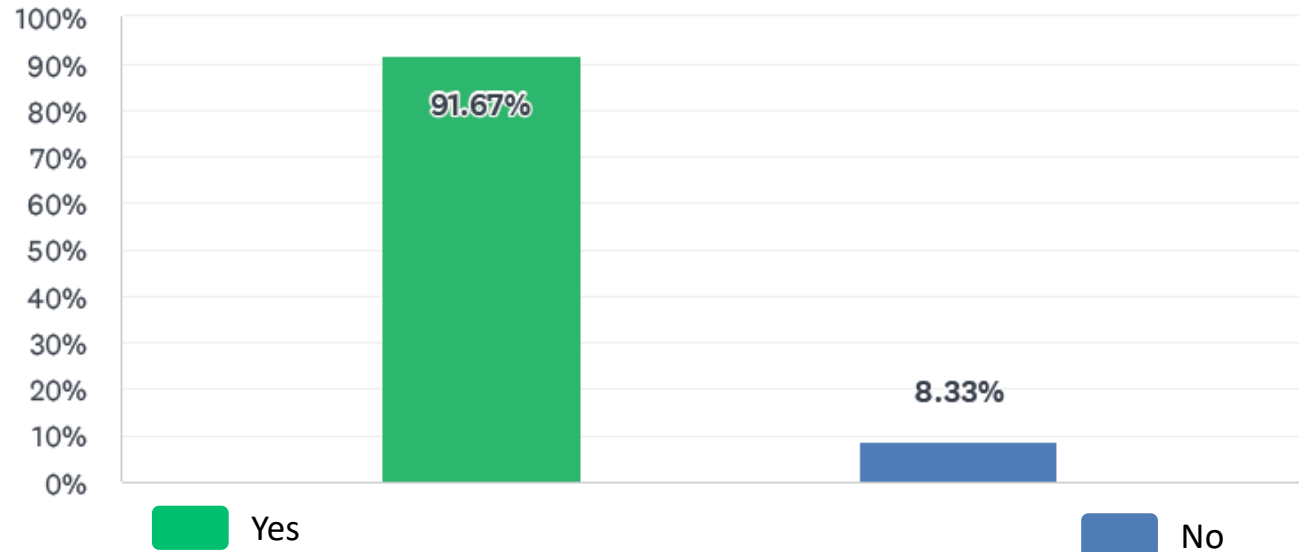
Answered: 96 Skipped: 11





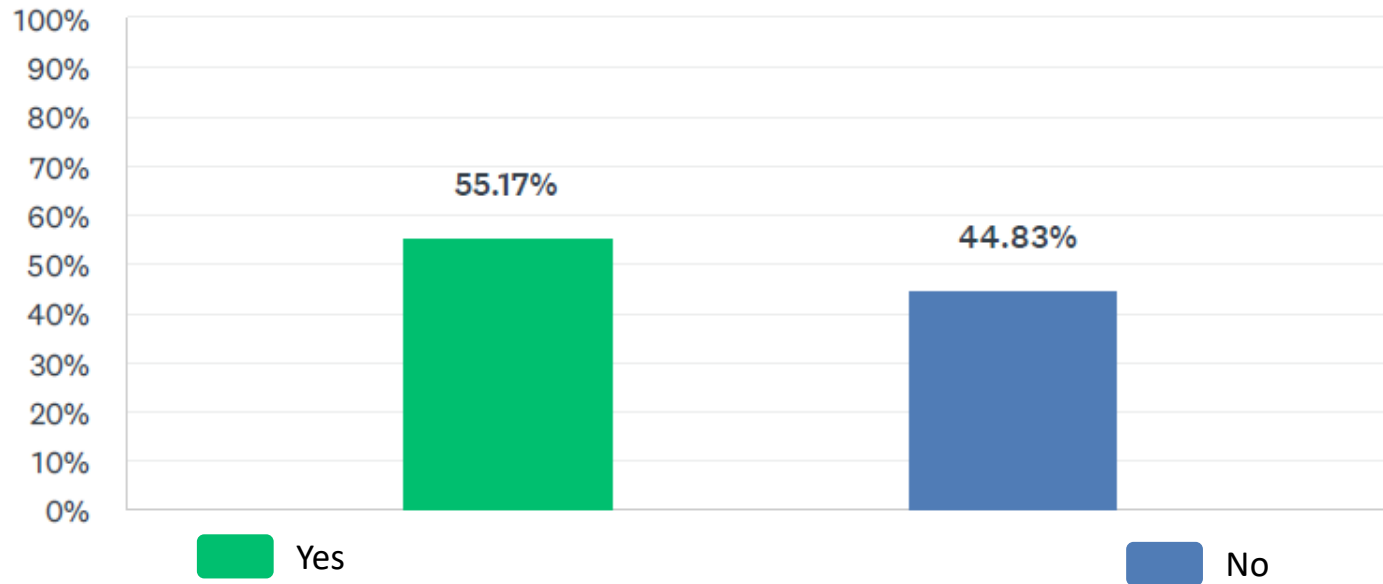
Q3 Additional funding for the garage would expend KURA's infrastructure funds through 2029 and reduce city funds available for capital infrastructure investments for nearly 20 years. This will take funds away from other priorities during this period, including improvements to sidewalks, roadways, and other public spaces. Would you still support constructing the parking garage instead of funding these other improvements?

Answered: 72 Skipped: 35



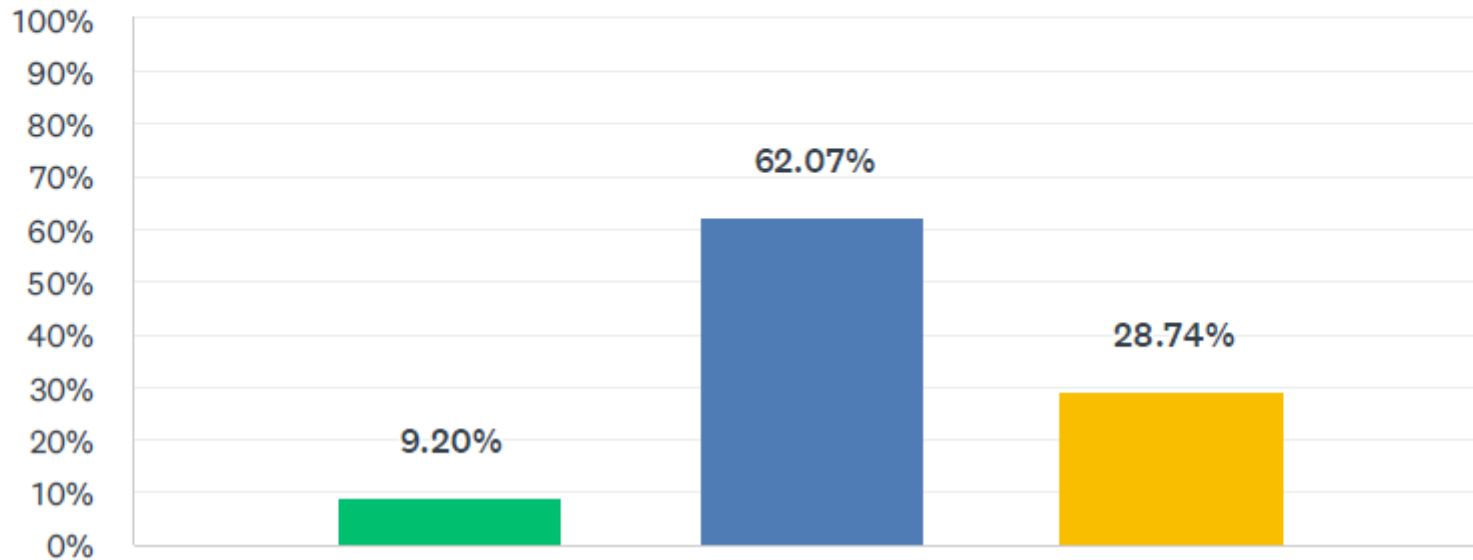
Q4 Would you support the additional annual property assessment for buildings within an approximate 4.5-block radius of the development (outlined above) to fund the addition of a public parking garage?

Answered: 87 Skipped: 20



## Q5 Which of the following LID assessment scenarios would you prefer?

Answered: 87 Skipped: 20



**An LID assessment for only properties within an approximate 4.5 block radius of the development to fund additional parking**

**An LID assessment for all downtown Ketchum properties to fund additional parking**

**I do not prefer any of the proposed LID assessments**



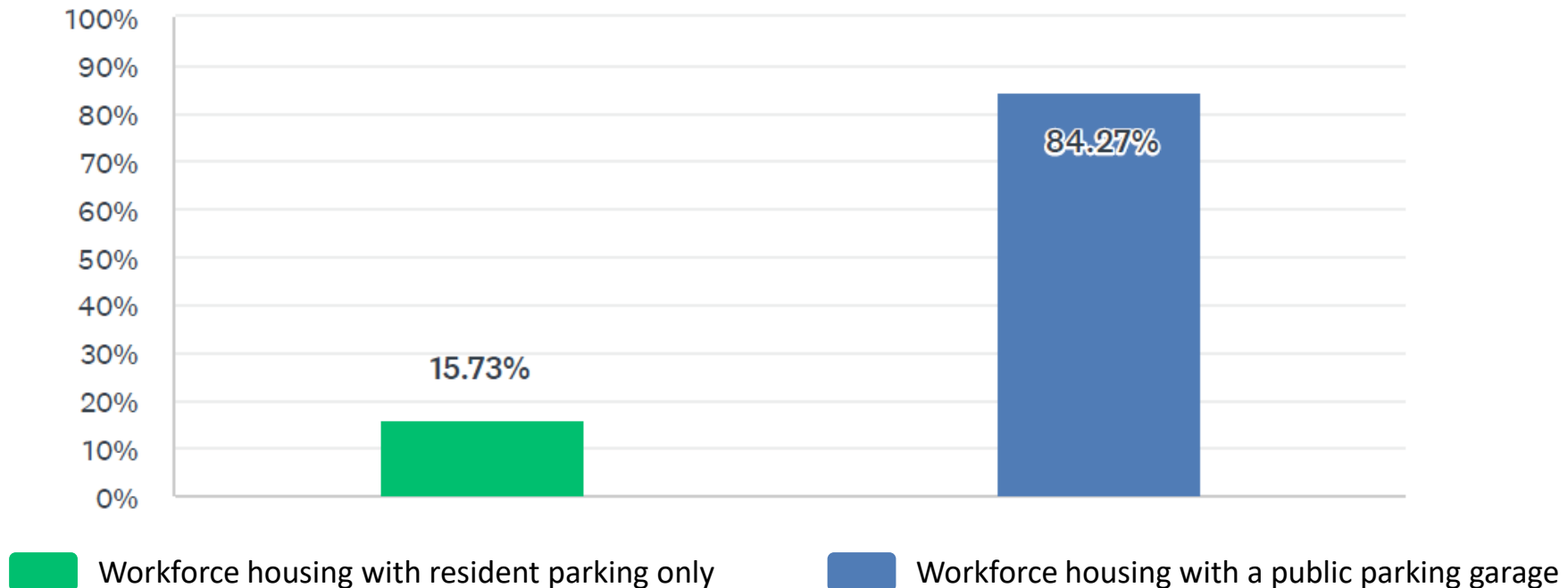
# Results

**Business owners in Ketchum who lease their building**

*(94 respondents)*

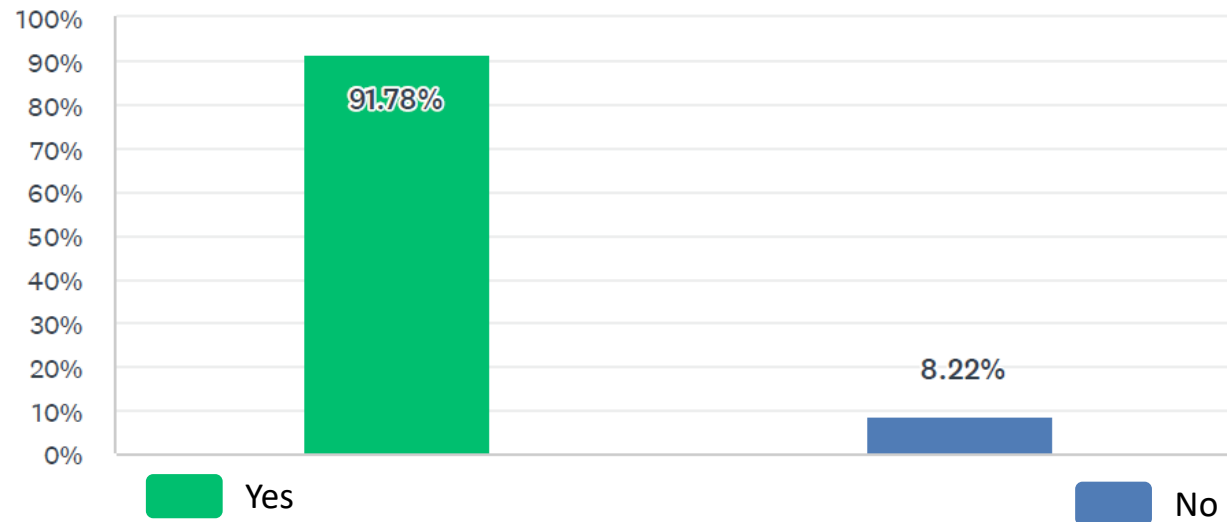
Q2 Please consider the two workforce housing development options above (with and without public parking), and their cost implications, and select the one you'd prefer:

Answered: 89 Skipped: 5



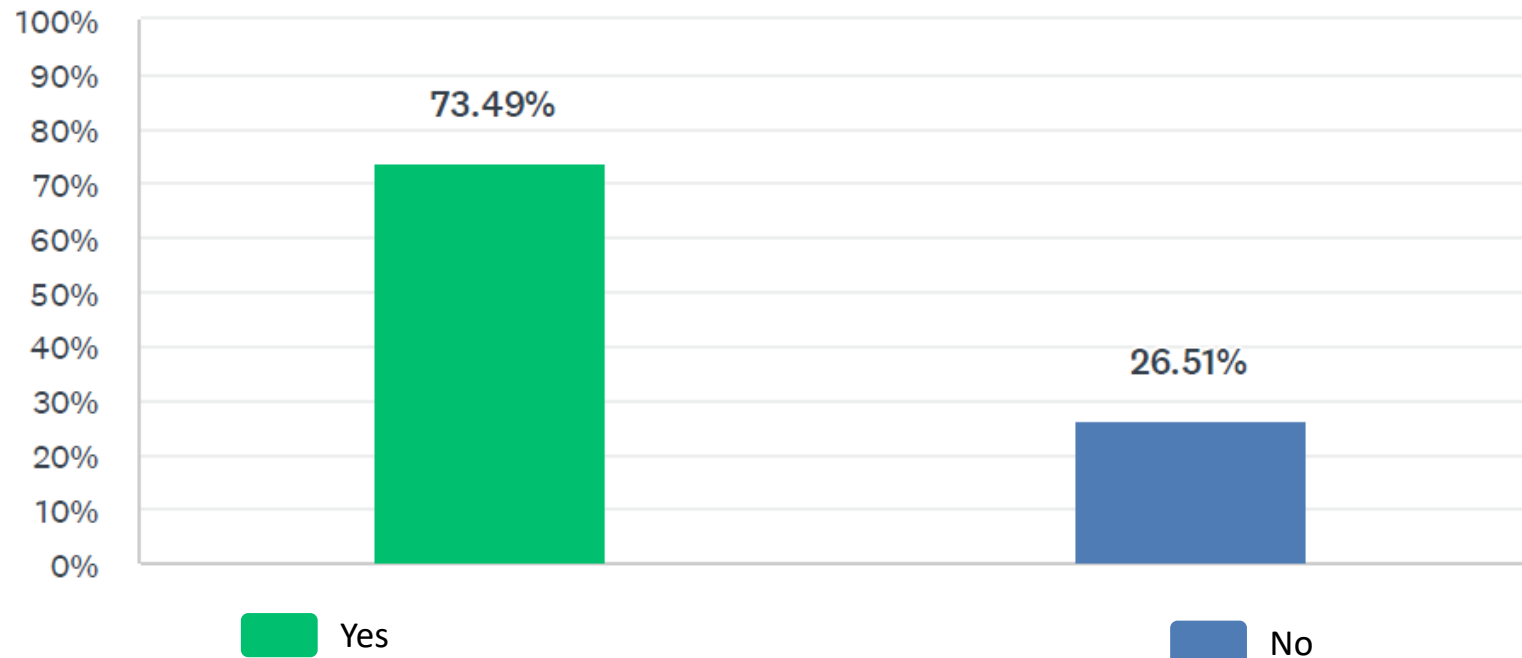
Q3 Additional funding for the garage would expend KURA's infrastructure funds through 2029 and reduce city funds available for capital infrastructure investments for nearly 20 years. This will take funds away from other priorities during this period, including improvements to sidewalks, roadways, and other public spaces. Would you still support constructing the parking garage instead of funding these other improvements?

Answered: 73 Skipped: 21



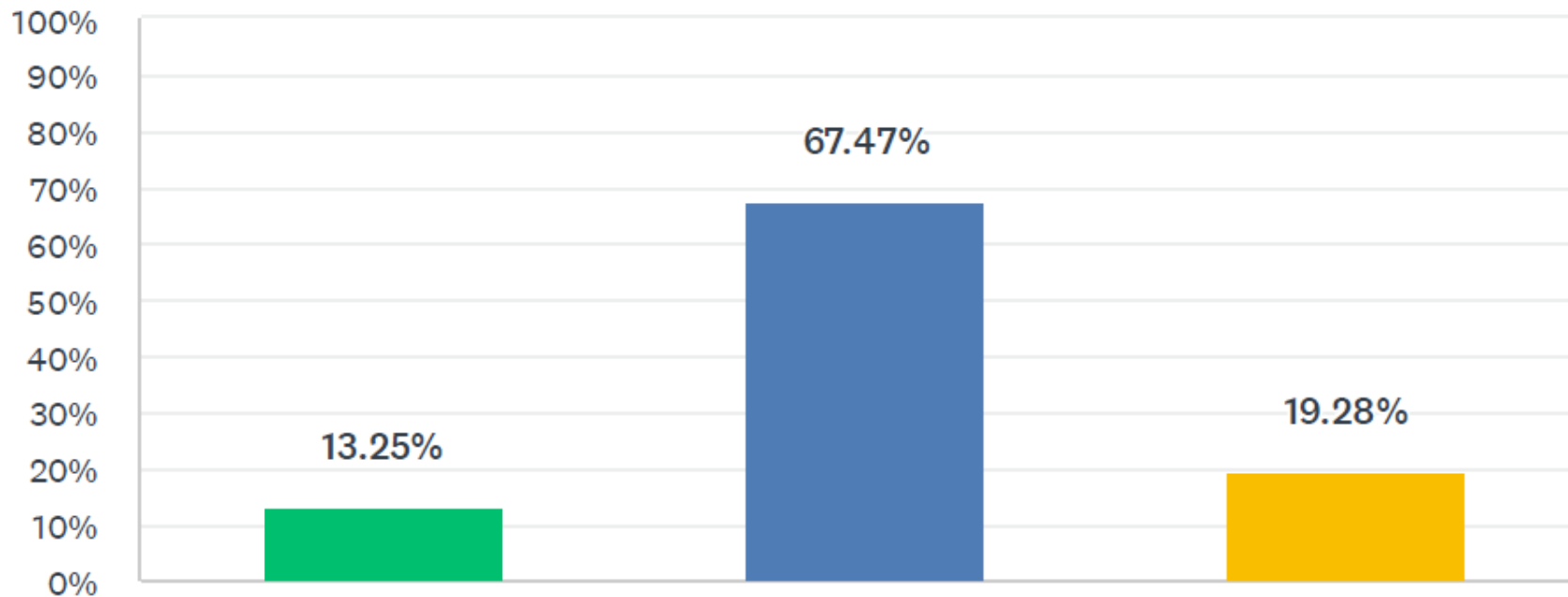
Q4 Would you support the additional annual property assessment for buildings within an approximate 4.5-block radius of the development (outlined above) to fund the addition of a public parking garage?

Answered: 83 Skipped: 11



## Q5 Which of the following LID assessment scenarios would you prefer?

Answered: 83 Skipped: 11



■ An LID assessment for only properties within an approximate 4.5 block radius of the development to fund additional parking

■ An LID assessment for all downtown Ketchum properties to fund additional parking

■ I do not prefer any of the proposed LID assessments





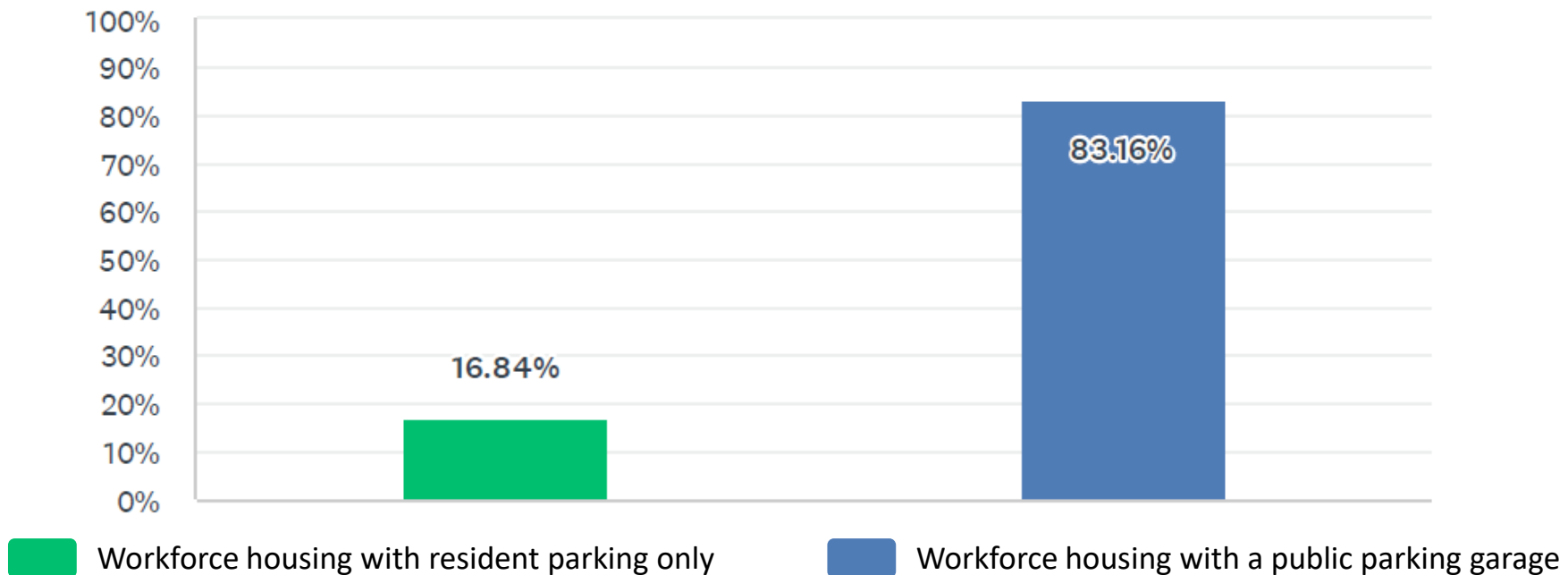
# Results

**Ketchum residents who own their property**

*(311 respondents)*

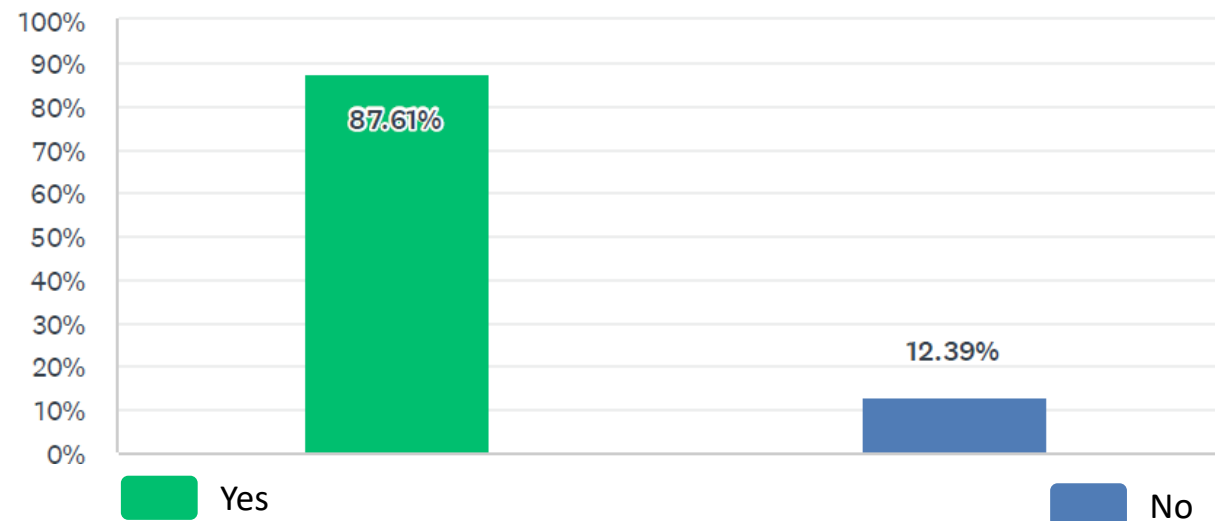
Q2 Please consider the two workforce housing development options above (with and without public parking), and their cost implications, and select the one you'd prefer:

Answered: 291 Skipped: 20



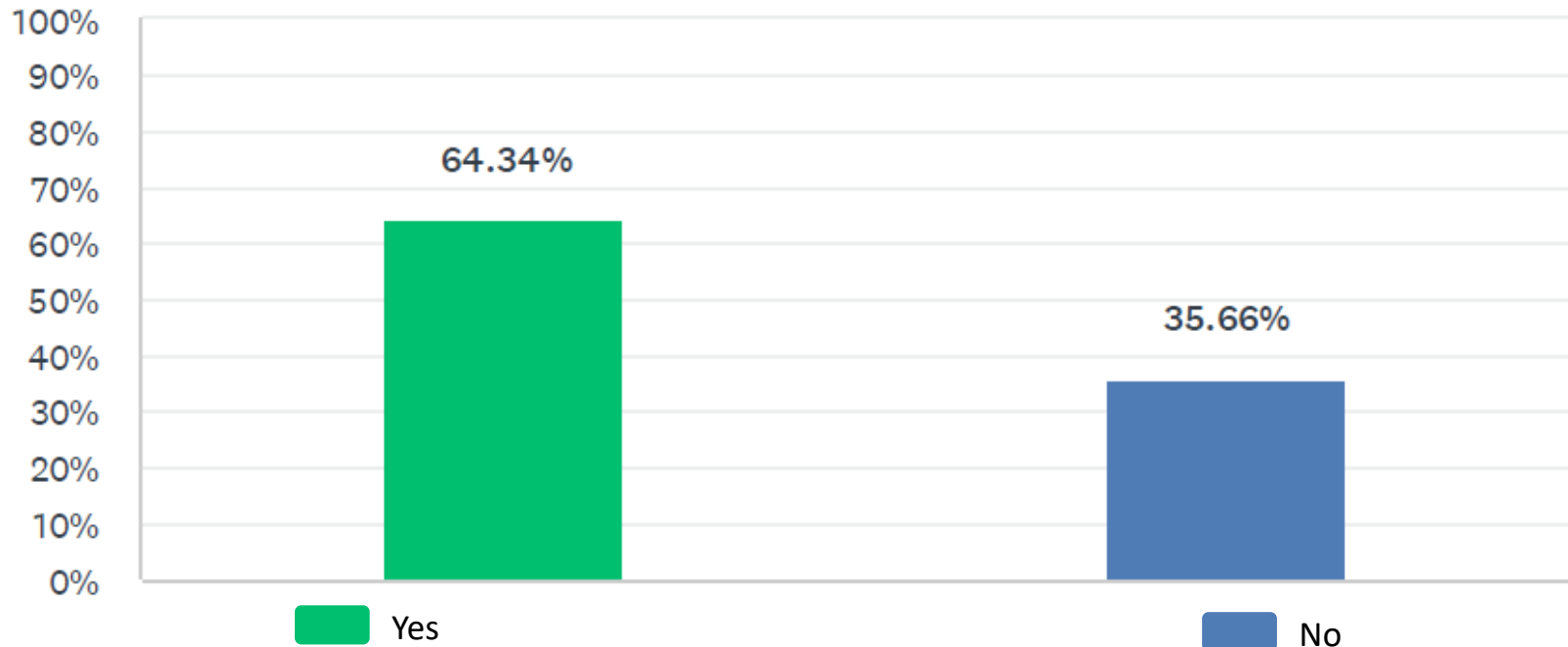
Q3 Additional funding for the garage would expend KURA's infrastructure funds through 2029 and reduce city funds available for capital infrastructure investments for nearly 20 years. This will take funds away from other priorities during this period, including improvements to sidewalks, roadways, and other public spaces. Would you still support constructing the parking garage instead of funding these other improvements?

Answered: 234 Skipped: 77



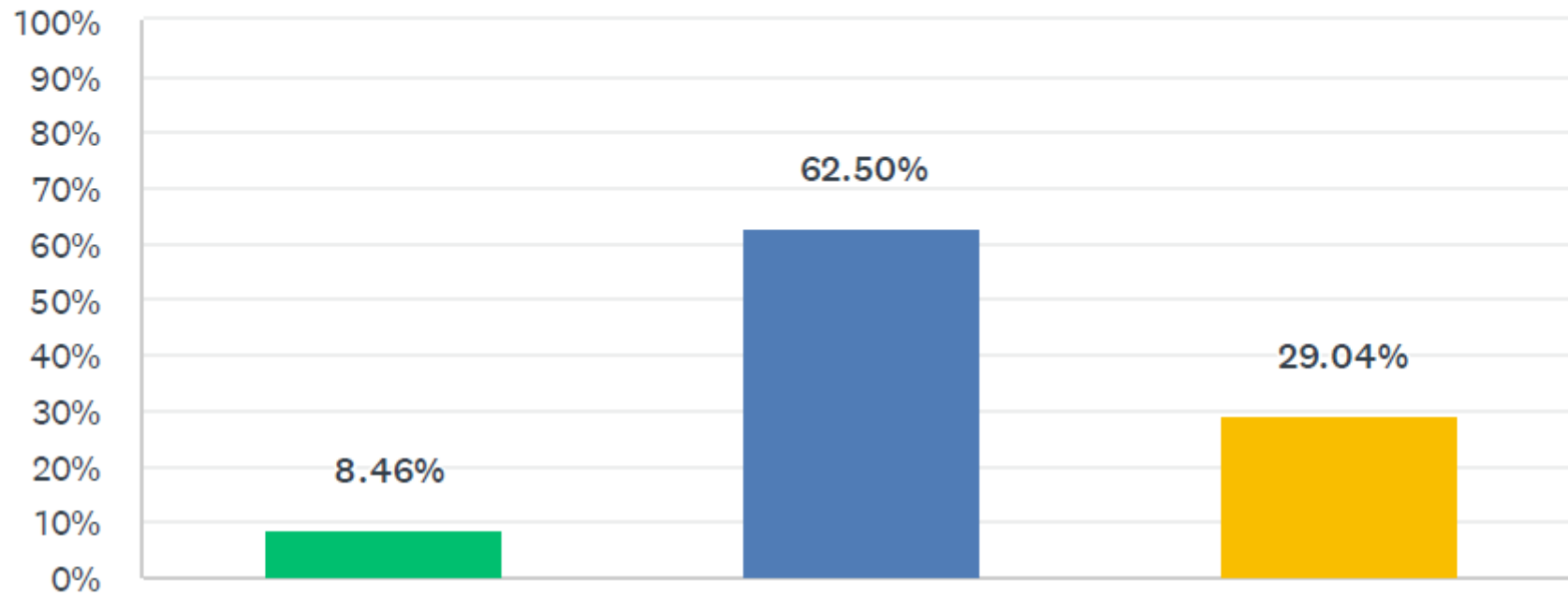
Q4 Would you support the additional annual property assessment for buildings within an approximate 4.5-block radius of the development (outlined above) to fund the addition of a public parking garage?

Answered: 272 Skipped: 39



Q5 Which of the following LID assessment scenarios would you prefer?

Answered: 272 Skipped: 39



■ An LID assessment for only properties within an approximate 4.5 block radius of the development to fund additional parking

■ An LID assessment for all downtown Ketchum properties to fund additional parking

■ I do not prefer any of the proposed LID assessments



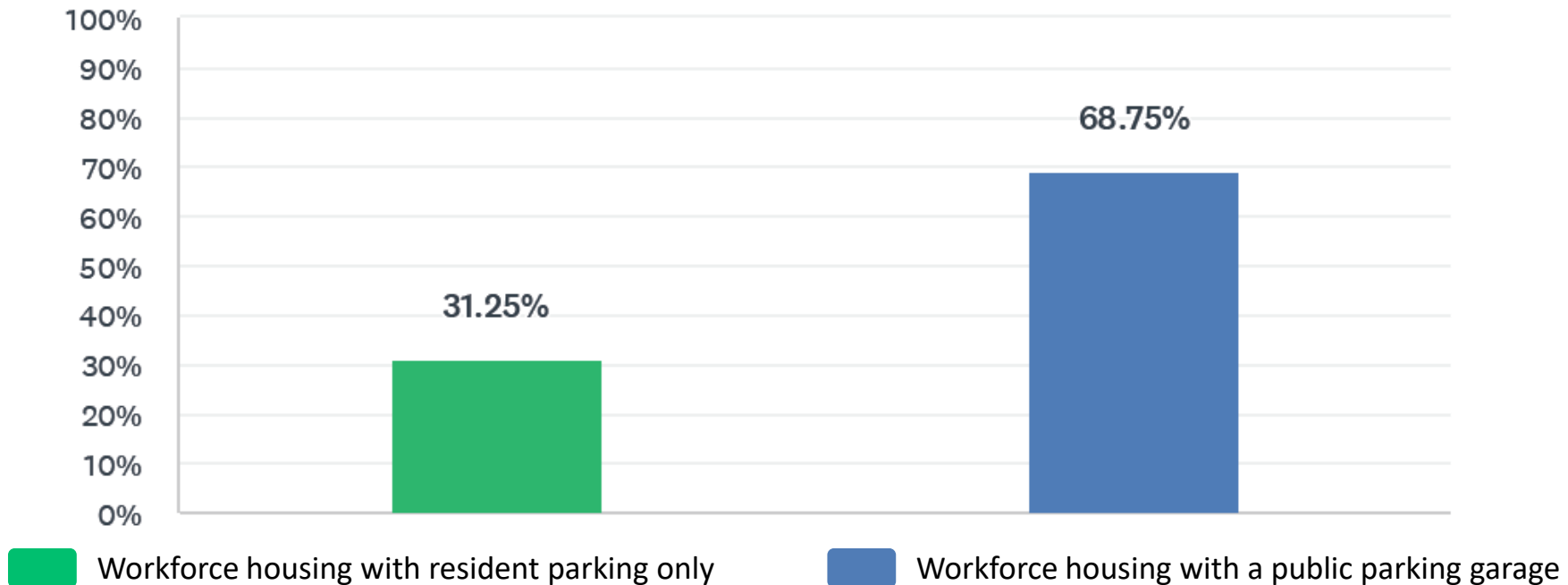
# Results

**Ketchum residents who rent their property**

*(36 respondents)*

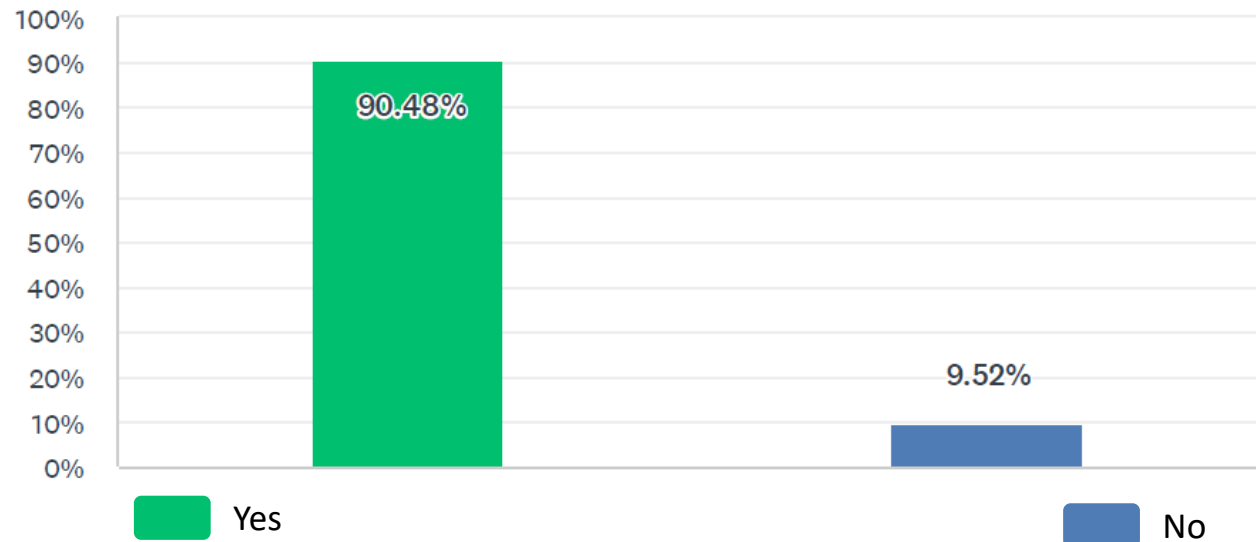
Q2 Please consider the two workforce housing development options above (with and without public parking), and their cost implications, and select the one you'd prefer:

Answered: 32 Skipped: 4



Q3 Additional funding for the garage would expend KURA's infrastructure funds through 2029 and reduce city funds available for capital infrastructure investments for nearly 20 years. This will take funds away from other priorities during this period, including improvements to sidewalks, roadways, and other public spaces. Would you still support constructing the parking garage instead of funding these other improvements?

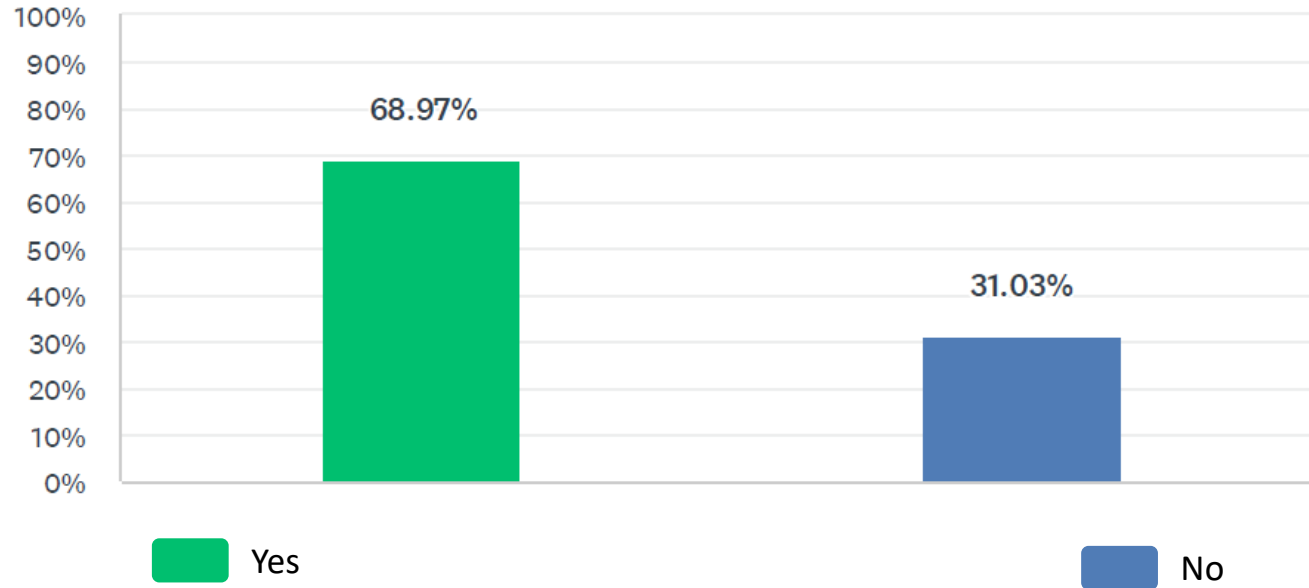
Answered: 21 Skipped: 15





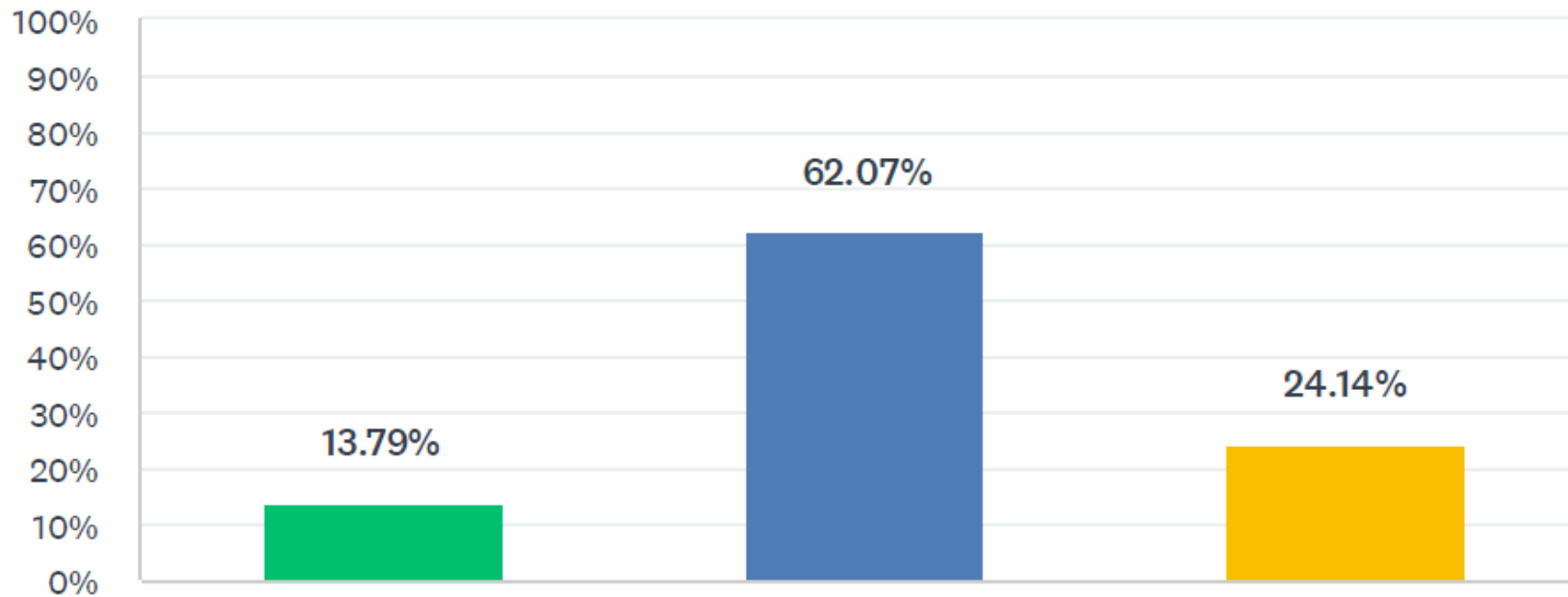
Q4 Would you support the additional annual property assessment for buildings within an approximate 4.5-block radius of the development (outlined above) to fund the addition of a public parking garage?

Answered: 29 Skipped: 7



Q5 Which of the following LID assessment scenarios would you prefer?

Answered: 29 Skipped: 7



■ An LID assessment for only properties within an approximate 4.5 block radius of the development to fund additional parking

■ An LID assessment for all downtown Ketchum properties to fund additional parking

■ I do not prefer any of the proposed LID assessments



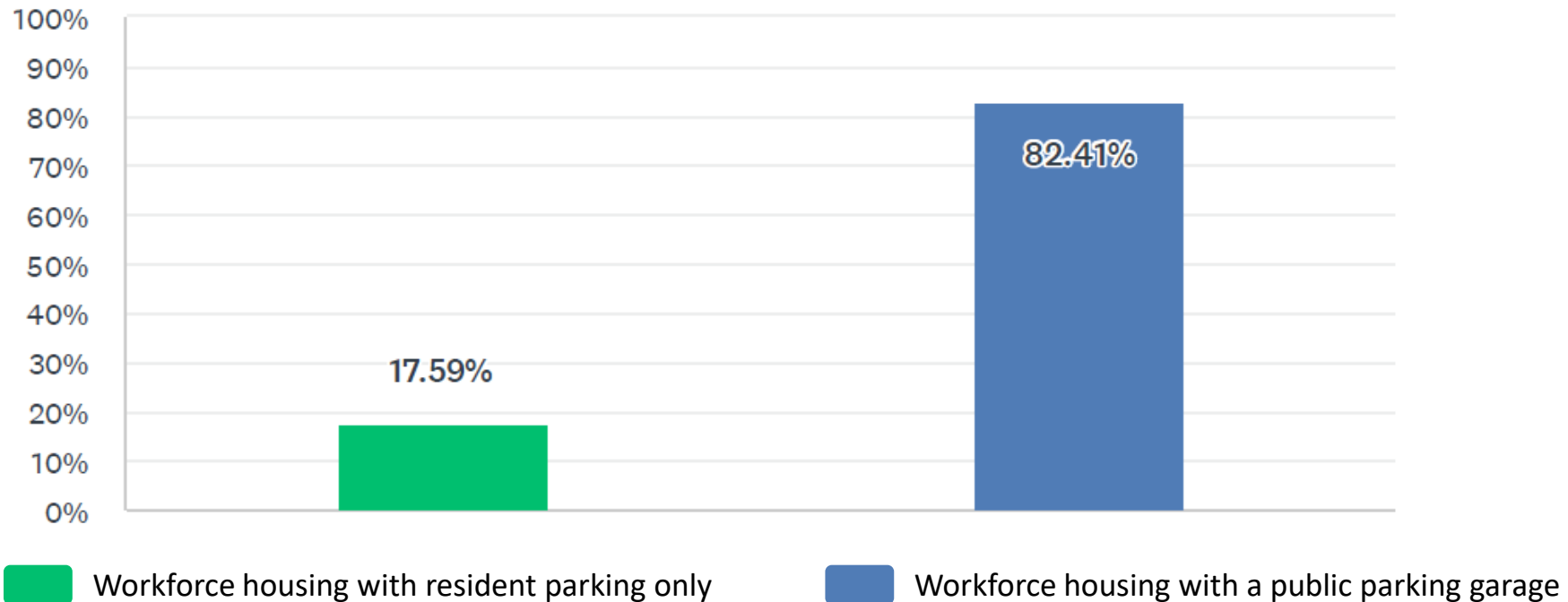
# Results

## Employees who work in Ketchum

*(114 respondents)*

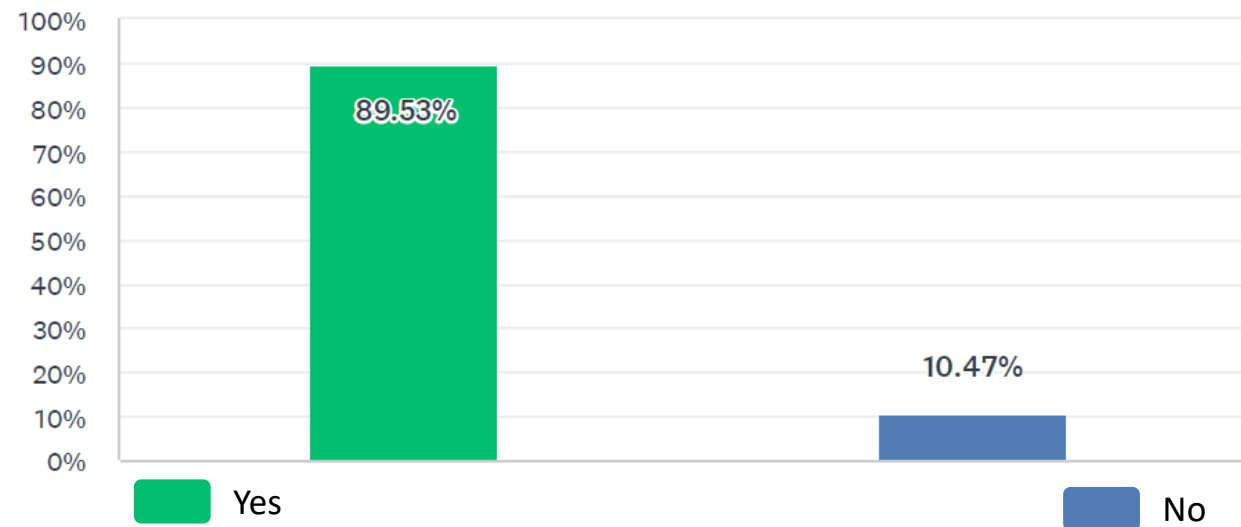
Q2 Please consider the two workforce housing development options above (with and without public parking), and their cost implications, and select the one you'd prefer:

Answered: 108 Skipped: 6



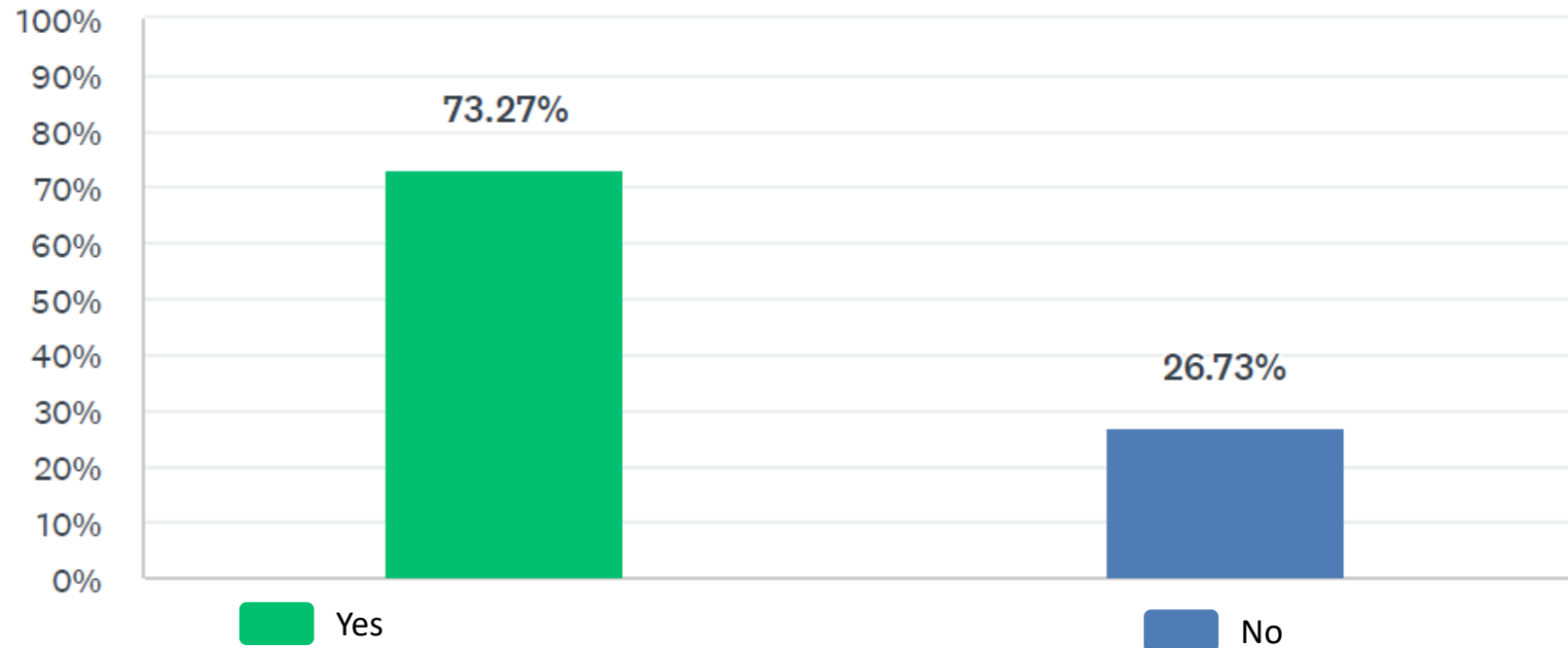
Q3 Additional funding for the garage would expend KURA's infrastructure funds through 2029 and reduce city funds available for capital infrastructure investments for nearly 20 years. This will take funds away from other priorities during this period, including improvements to sidewalks, roadways, and other public spaces. Would you still support constructing the parking garage instead of funding these other improvements?

Answered: 86 Skipped: 28



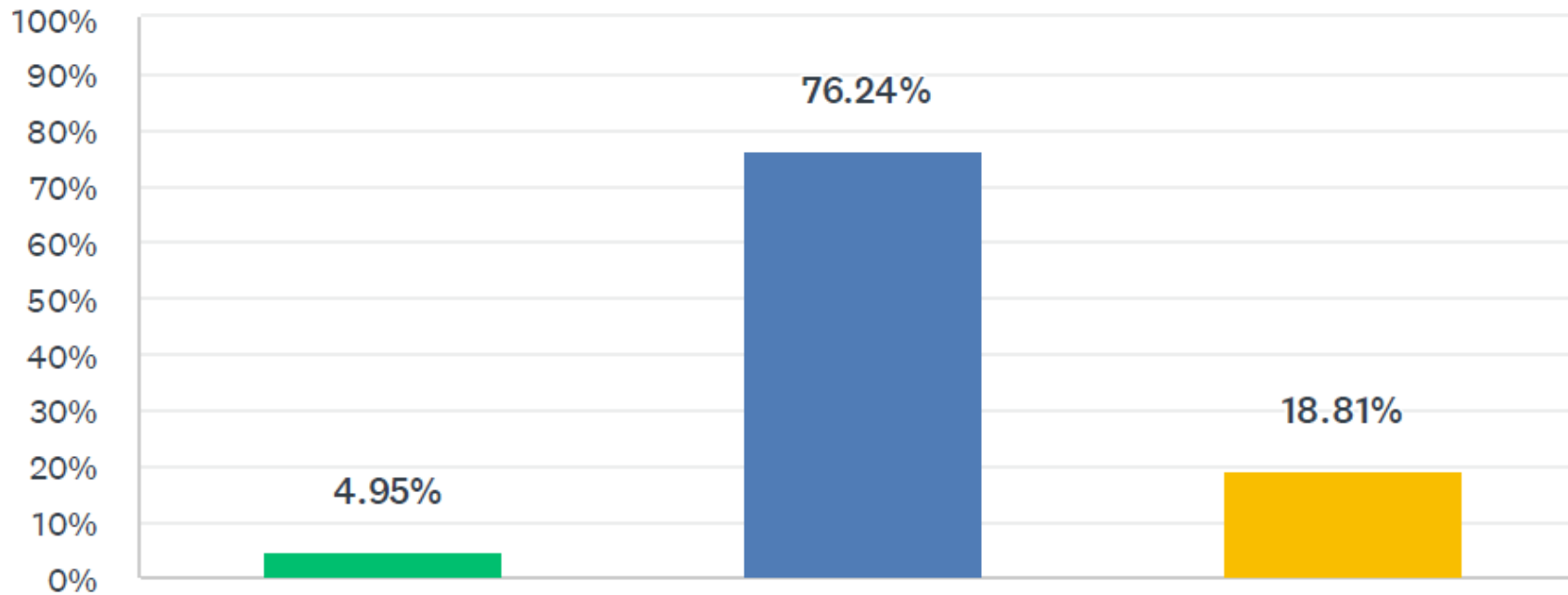
Q4 Would you support the additional annual property assessment for buildings within an approximate 4.5-block radius of the development (outlined above) to fund the addition of a public parking garage?

Answered: 101 Skipped: 13



Q5 Which of the following LID assessment scenarios would you prefer?

Answered: 101 Skipped: 13



■ An LID assessment for only properties within an approximate 4.5 block radius of the development to fund additional parking

■ An LID assessment for all downtown Ketchum properties to fund additional parking

■ I do not prefer any of the proposed LID assessments



Questions?



An aerial photograph of a city street intersection. The image shows several buildings, including a large one on the left and smaller ones on the right. A parking lot with several cars is visible in the center. The word "IKURA" is overlaid in large white letters on the left side of the image.

# IKURA

# Parking Structure Financial Options

January 6, 2025

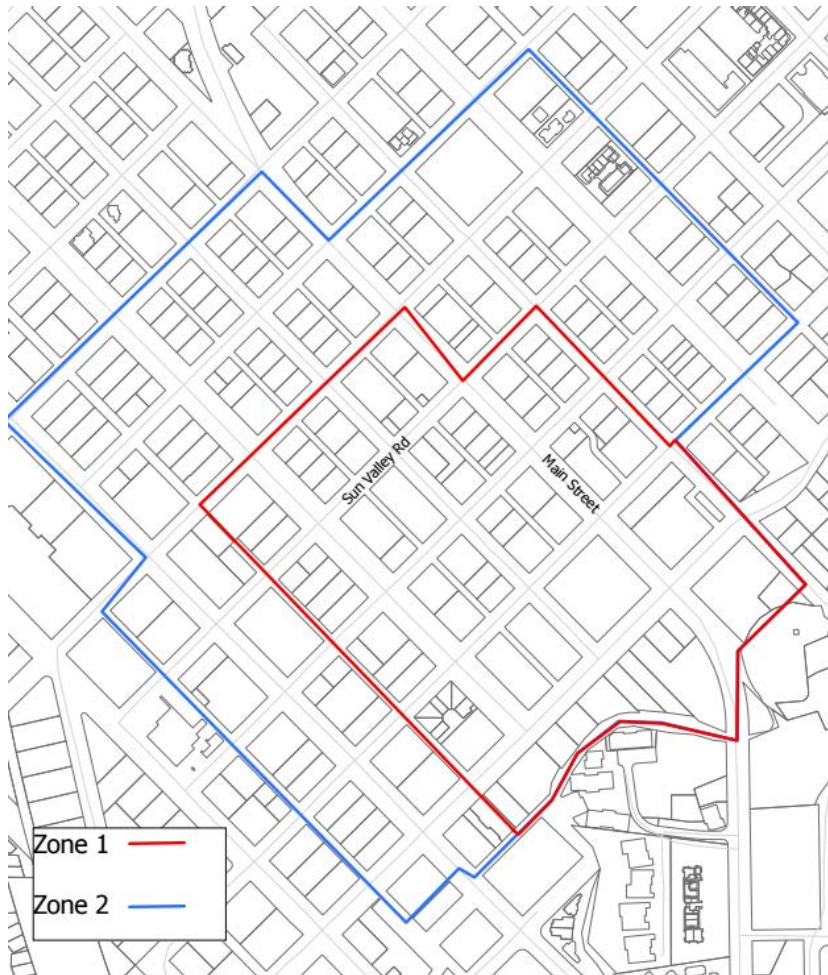
- **\*All Numbers are Estimates, Further Refinement is Needed\***
- All Financial Options have a three-piece approach
  - LID (Local Improvement District) Assessment
    - All options use LOT square footage as the assessment variable
  - City Contribution
  - URA Cash Contribution
- All Options Total \$21M
  - Project is estimated at \$24M
  - Must value engineer or alter final approach
- Each Option shown will show the following
  - LID Map
  - Financial Summary
  - Property Examples



# 2-Zone Original Option

*Previously Presented*

- Driven predominantly by a 2 and 4 block radius



# 2-Zone Financial Summary

- Note: Original zone square footage without refinement
- LID Summary:
  - \$8.5 million contribution
  - 2 Zones:
    - Zone 1: \$0.29 / sq ft
    - Zone 2: \$0.14 / sq ft
- City Summary:
  - \$8.5 million contribution
  - Pleading nearly all URA sunset funds to debt service (~\$640k)
- KURA Summary:
  - Assumed a \$4M cash contribution

# Property Examples

- Zone 1
  - Sawtooth Club: ~\$797
  - Village Market: ~\$7,712
- Zone 2
  - Wells Fargo Bank: ~\$1,531
  - Gather Yoga Studio: ~\$795

# Feedback Themes

- LID needs to be a bigger piece of the financial plan
- KURA cash contribution needs to be limited based on existing commitments
- City Council was uncomfortable with the long-term commitment of all KURA sunset tax funds



# 3-Zone Option



- Boundary based on using the CC Zone within Downtown



# 3-Zone Financial Summary

- Note: Refinement on some exempt property
- LID Summary:
  - \$13.0 million contribution
  - 3 Zones:
    - Zone 1: \$0.63 / sq ft
    - Zone 2: \$0.44 / sq ft
    - Zone 3: \$0.33 / sq ft
- City Summary:
  - \$5.0 million contribution
  - Pleading over half of all URA sunset funds to debt service (~\$376k)
- KURA Summary:
  - Assumed a \$3M cash contribution

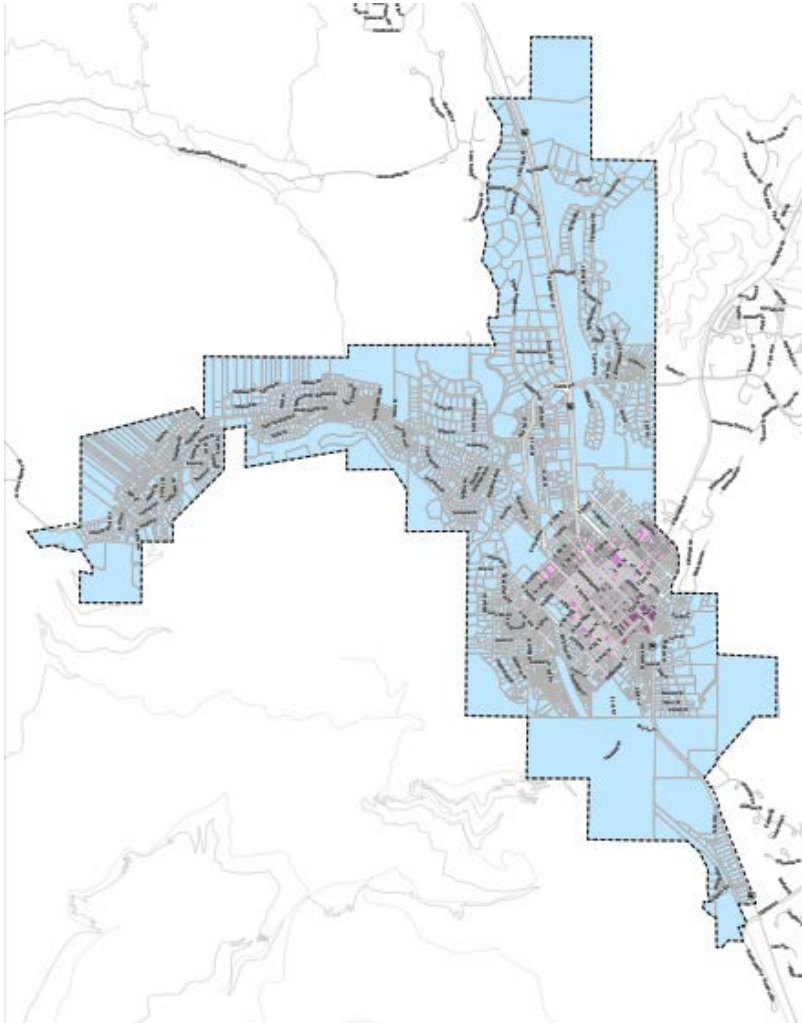
# Property Examples

- Zone 1
  - Sawtooth Club: ~\$1,727
  - Village Market: ~\$16,800
- Zone 2
  - Wells Fargo Bank: ~\$4,816
  - Gather Yoga Studio: ~\$2,399
- Zone 3
  - Lefty's: ~\$2,700



# 4-Zone Option

- Boundary based on City Limits



# 4-Zone Financial Summary

- LID Summary:
  - \$13.0 million contribution
  - 4 Zones:
    - Zone 1: \$0.27 / sq ft
    - Zone 2: \$0.16 / sq ft
    - Zone 3: \$0.06 / sq ft
    - Zone 4: \$0.01 / sq ft
- City Summary:
  - \$5.0 million contribution
  - Pleading over half of all URA sunset funds to debt service (~\$376k)
- KURA Summary:
  - Assumed a \$3M cash contribution

# Property Examples

- Zone 1
  - Sawtooth Club: ~\$741
  - Village Market: ~\$7,210
- Zone 2
  - Wells Fargo Bank: ~\$1,763
  - Gather Yoga Studio: ~\$878
- Zone 3
  - Lefty's: ~\$494



# Option Statistics



# Statistics by Option

## 3 Zone Option

	Cost per Sq Ft	Total w/o City and BCSD	Average Sq Ft	Average Cost	Median Sq Ft	Median Cost
Zone 1	0.63	756,419	9,225	\$5,812	6,403	\$4,034
Zone 2	0.44	952,831	8,358	\$3,678	5,663	\$2,492
Zone 3	0.33	631,489	7,994	\$2,638	8,233	\$2,717

## 4 Zone Option

	Cost per Sq Ft	Total w/o City and BCSD	Average Sq Ft	Average Cost	Median Sq Ft	Median Cost
Zone 1	0.27	756,419	9,225	\$2,491	6,403	\$1,729
Zone 2	0.16	952,831	8,358	\$1,337	5,663	\$906
Zone 3	0.06	631,489	7,994	\$480	8,233	\$494
Zone 4	0.01	70,897,995	33,364	\$334	10,149	\$101



# Discussion/Questions