



Ketchum Urban Renewal Agency

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

August 15, 2022

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO AMEND AGREEMENT 50076 AND ADOPT RESOLUTION 22-URA10 TO PROVIDE ADDITIONAL FUNDING FOR DEMOLITION OF OLD CITY HALL AT 480 EAST AVENUE

Introduction/History

On July 18th the KURA approved additional funding for the demolition of old City Hall. The Board approved splitting the additional cost with the City of Ketchum. The amount KURA will contribute is \$8,468.44 bringing the total funding commitment to 209,530.28. The original funding amount was \$201,061.40.

Staff is requesting the Board formalize the approval by amending the original agreement and adopting a new resolution reflecting the new funding amount.

Recommended Motion

I move to approve the first amendment to Agreement 50076 and adopt Resolution 22-URA10.

Financial Requirement/Impact

The KURA has sufficient funds to support the funding request.

RESOLUTION NO. 22-URA10

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF KETCHUM, IDAHO, APPROVING THE FIRST AMENDMENT TO DEMOLITION, SALVAGE, AND ASBESTOS ABATEMENT PROJECT AGREEMENT FOR OLD CITY HALL (“FIRST AMENDMENT”) BETWEEN THE CITY OF KETCHUM AND THE KETCHUM URBAN RENEWAL AGENCY; AUTHORIZING THE CHAIR OR VICE-CHAIR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID FIRST AMENDMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE CHAIR OR VICE-CHAIR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE FIRST AMENDMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES, INCLUDING SUBSTANTIVE CHANGES; AND PROVIDING AN AFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Ketchum, Idaho, also known as the Ketchum Urban Renewal Agency, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (hereinafter the “Law”) and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (hereinafter the “Act”), 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 (“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 Ketchum Urban Renewal Plan 2010 (the “2010 Plan”);

WHEREAS, the Agency is authorized to undertake and carry out urban renewal projects to eliminate, remedy, or prevent deteriorated or deteriorating areas through redevelopment, rehabilitation or conservation, or any combination thereof, within its area of operation and is authorized to carry out such projects jointly with the City;

WHEREAS, on January 18, 2022, pursuant to Resolution No. 22-URA02, the Agency approved the Demolition, Salvage, and Asbestos Abatement Project Agreement for the Old City Hall (“Agreement”);

WHEREAS, the Agreement provided that the Agency would contribute a not to exceed amount of Two Hundred One Thousand, Sixty-One and 40/100 Dollars (\$201,061.40) to the City for the demolition and abatement of City Hall, which was based on the bid amounts of the project;

WHEREAS, upon completion of the project, the cost of the demolition and abatement exceed the agreed upon not to exceed amount by Sixteen Thousand, Nine Hundred Thirty-Seven and 75/100 Dollars (\$16,937.75). The additional cost was due to unforeseen subsurface conditions, including removal of an oil tank, septic tank, and increased debris disposal costs, all of which were unknown at the time of the bid;

WHEREAS, the City is now asking the Agency to increase its funding amount to cover this increase in unforeseen costs;

WHEREAS, the Agency at its Agency Board of Commissioners meeting on July 18, 2022, approved funding half of this increased cost, equaling Eight Thousand, Four Hundred Sixty-Eight and 88/100 Dollars (\$8,468.88), bringing the total not to exceed amount in the Agreement to Two Hundred Nine Thousand, Five Hundred Thirty and 28/100 Dollars (\$209,530.28).

WHEREAS, the City and Agency agree that the Agency's financial contribution shall be credited to the amount borrowed from the City from the in lieu of housing fees funds.

WHEREAS, Agency staff has reviewed the First Amendment and recommends approval of the First Amendment;

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the First Amendment and to authorize the Chair or Vice-Chair to execute and attest the First Amendment, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE KETCHUM URBAN RENEWAL AGENCY OF THE CITY OF KETCHUM, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the First Amendment, attached hereto as **Exhibit A**, is hereby incorporated herein and made a part hereof by reference and is hereby approved and accepted, recognizing technical changes or corrections which may be required prior to execution of the First Amendment.

Section 3: That the Agreement approved on January 18, 2022, by Resolution No. 22-URA02, is hereby amended by the First Amendment as specified, all other terms remaining in full force and effect.

Section 4: That the Chair or Vice-Chair and Secretary of the Agency are hereby authorized to sign and enter into the First Amendment and, further, are hereby authorized to execute

all necessary documents required to implement the actions contemplated by the First Amendment subject to representations by the Agency staff and Agency legal counsel that all conditions precedent to and any necessary technical changes to the First Amendment are acceptable, and the comments and discussions received at the August 15, 2022, Agency Board meeting, including any substantive changes discussed and approved at that meeting are incorporated.

Section 5: 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 August 15, 2022. Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of Commissioners, on August 15, 2022.

URBAN RENEWAL AGENCY OF KETCHUM

By _____
Susan Scovell, Chair

ATTEST:

By _____
Secretary

4868-1472-9517, v. 2

**FIRST AMENDMENT
TO AGREEMENT 50076
DEMOLITION, SALVAGE, AND ASBESTOS ABATEMENT PROJECT AGREEMENT
FOR THE OLD CITY HALL**

THIS FIRST AMENDMENT TO DEMOLITION, SALVAGE, AND ASBESTOS ABATEMENT PROJECT AGREEMENT FOR THE OLD CITY HALL (hereinafter "First Amendment") is made and entered into this ____ day of _____, 2022, by and between the city of Ketchum, Idaho, a municipal corporation of the state of Idaho (the "City"), and the Urban Renewal Agency of the city of Ketchum, Idaho, also known as the Ketchum Urban Renewal Agency, an independent public body corporate and politic (the "Agency"), individually referred to as "Party" and collectively as the "Parties."

1. DEMOLITION, SALVAGE, AND ASBESTOS ABATEMENT PROJECT AGREEMENT. On January 18, 2022, the City and Agency, pursuant to Agency Resolution No. 22-URA02, entered into that certain Demolition, Salvage, and Asbestos Abatement Project Agreement for the Old City Hall ("Agreement"), attached hereto as **Exhibit A**, whereby the Agency agreed to fund the demolition of the old City Hall building (the "Project"), located in the Ketchum Urban Renewal Plan 2010 Project Area, being that such demolition was in the best interest of the Agency to enhance the Project Area.

The City bid and selected Elite Restoration Inc. as the contractor for the Project and the total bid amounts for the costs of the demolition of the Project totaled Two Hundred One Thousand, Sixty-One and 40/100 Dollars (\$201,061.40). The City and Agency entered into the Agreement and specified the Agency's not to exceed funding amount of \$201,061.40.

Upon completion of the Project, the cost of the demolition exceeded the agreed upon not to exceed amount in the Agreement by Sixteen Thousand, Nine Hundred Thirty-Seven and 75/100 Dollars (\$16,937.75). The additional cost was due to unforeseen subsurface conditions, including removal of an oil tank, septic tank, and increased debris disposal costs, all of which were unknown at the time of the bid. The City is now asking the Agency to increase its funding amount to cover this increase in unforeseen costs.

The Agency at its Agency Board meeting on July 18, 2022, approved funding half of this increased cost, equaling Eight Thousand, Four Hundred Sixty-Eight and 88/100 Dollars (\$8,468.88), bringing the total not to exceed amount in the Agreement to Two Hundred Nine Thousand, Five Hundred Thirty and 28/100 Dollars (\$209,530.28).

Pursuant to Section 10, of the Agreement, the Agency now wishes to amend the Agreement as follows:

2. RECITALS, SEVENTH WHEREAS. The seventh "Whereas" in the Recitals of the Agreement shall be amended to read: "WHEREAS, the City has bid the Project and selected Elite Restoration, Inc. as the contractor for the Project and the total bid amounts for the costs of the demolition of the Project total approximately ~~\$201,061.40~~ \$209,530.28."

3. SECTION 6 – REIMBURSEMENT. Section 6 shall be amended to read: “As consideration for City services set forth above, the Agency shall pay for the costs of the Project. Such costs shall not exceed ~~\$201,061.40~~ \$209,061.40.”

4. SECTION 7 – CREDIT OF AMOUNT OF REIMBURSEMENT TO HOUSING FEES. Section 7 shall be amended to read: “In order to achieve certain property acquisitions, the Agency received from the City funds from its in lieu of housing fees, which Agency has used to purchase real property. The amount advanced by the City to the Agency totaled \$1,460,000.00. This arrangement was memorialized by the MOU between the City and Agency approved by Resolution No. 19-URA _____ on August 19, 2019. The amount of reimbursement for the Project, ~~\$201,061.40~~ \$209,061.40 shall be credited towards the repayment of the in lieu of housing fees.”

5. ALL OTHER TERMS TO REMAIN. All other terms and conditions of the Agreement, not otherwise amended as provided herein this First Amendment, shall remain in full force and effect and shall be binding upon the Parties as if set forth in full herein.

IN WITNESS WHEREOF, the parties hereto, through their respective governing boards, have executed this Demolition Agreement on the date first cited above.

CITY OF KETCHUM

By _____
Neil Bradshaw, Mayor

ATTEST:

City Clerk

KETCHUM URBAN RENEWAL AGENCY

By _____
Susan Scovell, Chair

ATTEST:

Secretary
4867-3269-3290, v. 2