



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

July 20, 2020

Chairman and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

Chair and URA Commissioners:

REQUEST FOR FUNDING FOR SUN VALLEY ECONOMIC DEVELOPMENT

Recommendation and Summary

Staff recommends the board provide direction to staff on the funding request.

Introduction and History

The KURA provided \$15,000 to SVED in FY 19/20 and entered into a contract for services (Attachment A). SVED has submitted a request for funding in the amount of \$15,000 for FY 20/21 (Attachment B).

Current Report

As outlined in the funding request (Attachment C) funding would support the identified performance criteria. Should the Board approve funding, a contract for services, to include a scope of work, will return for Board approval.

Financial Requirement/Impact

The Board will determine funding priorities for FY 20/21 and decide if this request will be funded as part of the FY 20/21 budget.

Attachments:

FY 19/20 Contract for Services with SVED
SVED funding request
SVED Balance Sheet and Profit and Loss Statement

CONTRACT FOR SERVICES 50025

THIS CONTRACT FOR SERVICES ("Agreement") by and between the KETCHUM URBAN RENEWAL AGENCY, an independent public body corporate and politic, authorized and existing under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the "Law"), and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the "Act") (hereinafter referred to as "KURA") and the Sun Valley Economic Development Corp., an Idaho non-profit corporation (hereinafter referred to as "SVED"). Collectively, KURA and SVED may be referred to as the "Parties."

RECITALS

A. The City Council of the City of Ketchum (the "City Council") by adoption of Ordinance No. 992 on November 15, 2006, duly adopted the Ketchum Urban Renewal Plan (the "Plan") to be administered by KURA. Subsequently, the Plan was amended upon the approval of Ordinance No. 1077 adopted by the City Council on November 15, 2010, and deemed effective on November 24, 2010 (the "Amended Plan").

B. Through implementing the Amended Plan, KURA seeks to further the following stated goal: The strengthening of the tax base by encouraging private development, thus increasing the assessed valuation of properties within the Revenue Allocation Area and benefitting the various taxing districts in which the Revenue Allocation Area is located. Additionally, the Amended Plan seeks to further its goal of strengthening the economic base of the Revenue Allocation Area by installing needed site improvements and public facilities to stimulate new commercial expansion, employment and economic growth. These goals are consistent with the findings and purpose of the Act set forth in Idaho Code § 50-2902.

C. In furtherance of these goals, KURA seeks to support programs that stimulate job creation, expanded employment opportunities and economic development opportunities within the Revenue Allocation Area.

D. SVED provides projects and services with the goals of attracting new businesses and jobs, promoting business growth and success, educating and advocating on critical business issues, enhancing the economic impact of existing assets, attracting visitors and events and increasing overall economic activity.

E. SVED's stated mission is "to create a thriving, diversified, year-round economy for the Sun Valley Region."

F. Supporting promotion of the Revenue Allocation Area by attracting new businesses through targeted, economic development efforts constitutes a valid public purpose and is consistent with the goals of the Amended Plan, the Law and the Act.

G. KURA desires to contract with SVED for professional services to provide

economic development support through business and land development efforts within the Revenue Allocation Area. Through increased business attraction and expansion, infrastructure improvements and project development within the Revenue Allocation Area, the number of businesses hiring permanent, full-time jobs within the Revenue Allocation Area is expected to increase. KURA believes these services to promote business development will positively affect development and land use decisions within KURA's Revenue Allocation Area. KURA further believes such efforts will strengthen the Revenue Allocation Area, as well as prevent the spread of deteriorating conditions.

H. The parties specifically acknowledge and agree that all funds paid to SVED under this Agreement shall be used solely to provide services for KURA for business attraction and expansion, support of infrastructure improvements, advice and support on housing improvement projects and identification and support of community partnerships within the Revenue Allocation Area. The proposed services lead to direct quantifiable and measurable results of investing public funds for a public purpose.

I. Subject to the terms and conditions of this Agreement, the parties wish to enter into this Agreement to provide the services described herein.

AGREEMENT

NOW THEREFORE, KURA and SVED, for and in consideration of the preceding recitals, mutual promises and covenants hereinafter set forth, do hereby agree as follows:

1. Consideration. In consideration for providing the services provided herein, KURA agrees to pay SVED an amount not to exceed fifteen thousand and no/100 (\$15,000.00) for the term set forth in Section 2. Payments shall be made as set forth in Section 5.
2. Term. Unless terminated pursuant to Section 7(b) of this Agreement, and notwithstanding the date of execution hereof, this Agreement shall be in effect from October 1, 2019, until September 30, 2020.
3. Scope of Services. The Parties hereby agree that SVED shall provide certain services to KURA as set forth in the Scope of Services attached hereto as Exhibit A.
4. Reports, Budget, IRS Filings, Annual Work Plan, Monthly Record Keeping and Availability of Records.
 - a. Quarterly Report of Activities. SVED shall report to the KURA Board of Commissioners each quarter during the following months: January, April, July and September (the "Quarterly Report"). The Quarterly Report shall contain updates for the KURA Board on the services provided in Section 3 of this Agreement.

- b. Budget. Within thirty (30) days after the execution of this Agreement, SVED shall submit its 2019 Year-to-Date P&L and Balance Sheet to KURA, in a form which is satisfactory to KURA, showing income, expenses and particular fund balances. SVED shall submit its 2020 Operating Budget to KURA when such budget has been approved by the SVED Board. This operating budget shall contain sufficient information and detail to permit meaningful review by the public.
 - c. IRS Filings. Within fifteen days (15) days after execution of this Agreement, SVED shall submit to KURA IRS Form 990 and all associated documents for the previous two (2) years of operation.
 - d. Financial Accounting and Reporting Requirements. SVED shall submit to KURA a year-end financial statement within ninety (90) days of SVED's fiscal year-end, which shall be prepared in a format that details the expenditure of KURA funds paid to SVED under the terms of this Agreement. KURA may request additional financial information it deems necessary or appropriate to assist KURA in verifying the accuracy of SVED's financial records. Any duly authorized agents of the KURA shall be entitled to inspect and audit all books and records of SVED only for compliance with the terms of this Agreement. In the event the financial report indicates that funds were used for purposes not permitted by this Agreement, SVED shall remit the disallowed amount to KURA within thirty (30) days of notification by KURA of such improper expenditures.
 - e. General Requests. Upon request, and within a reasonable time period, SVED shall submit any other information or reports relating to its activities under this Agreement to KURA in such form and at such time as KURA may reasonably require.
 - f. Retention of Records. SVED agrees to retain all financial records, supporting documents, statistical reports, client or membership records and contracts, property records, minutes, correspondence, and all other accounting records or written materials pertaining to this Agreement for three (3) years following the expiration or termination of this Agreement. KURA, at its own expense, may review or audit the financial transactions undertaken by SVED under this Agreement to ensure compliance with the terms and conditions herein with reasonable prior notice and during the normal business hours of SVED.
5. Payments. To receive payments for the services described in Section 3 of this Agreement, SVED shall submit the Quarterly Reports described in paragraph 4(a) of this Agreement. Upon acceptance of the Quarterly Reports by the KURA Board, payment shall be made within thirty (30) days. The amount of each

quarterly payment to be paid to SVED shall be three thousand seven hundred fifty and 00/100 (\$3,750.00).

6. Record of Funds. In order to insure proper financial accountability, SVED shall maintain accurate records and accounts of all funds received from KURA, keeping such accounts and records separate and identifiable from all other accounts, and making such accounts and records available to KURA during normal business hours, on request of the KURA Board, or its staff. Compliance with this provision does not require a separate bank account for the funds. The funds paid to SVED by KURA shall be expended solely for services rendered in conformance with this Agreement. Further, no such funds shall be transferred, spent, loaned or encumbered for other SVED activities or purposes other than for operations and activities in conformance with this Agreement.

7. Miscellaneous Provisions.

- a. Notices. All notices to be served pursuant to this Agreement or which are served with regard to this Agreement shall be sent by certified mail, return receipt, to the parties at the following addresses:

Ketchum Urban Renewal Agency
PO Box 2315
Ketchum, Idaho 83340

Sun Valley Economic Development Corp.
PO Box 3893
Ketchum, ID 83340

All notices of changes of addresses shall be sent in the same manner.

- b. Termination.
 - i. The Parties hereto covenant and agree that in the event KURA, in its sole and absolute discretion, lacks sufficient funds to continue paying for SVED's services under this Agreement, KURA may terminate this Agreement without penalty upon thirty (30) days written notice. Upon receipt of such notice neither party shall have any further obligation to the other. In the event of early termination of this Agreement, SVED shall submit to KURA a report of expenditures authorized by this Agreement as of the effective date of termination. Any KURA funds not encumbered for authorized expenditures at the date of termination shall be refunded to KURA within twenty (20) days.
 - ii. If SVED shall fail to fulfill its obligations in compliance with the

Scope of Services as set forth in Section 3, or if SVED shall violate any of the covenants, agreements, or stipulations of this Agreement, KURA shall thereupon have the right to terminate this Agreement effective immediately. If this Agreement is terminated for cause, SVED shall be paid a pro-rata amount of the quarterly payment earned in accordance with this Agreement through the cancellation date.

Notwithstanding the above, SVED shall not be relieved of liability to KURA by virtue of any breach of this Agreement by SVED, and KURA may withhold any payments to SVED for the purpose of set-off until such time as the exact amount of damages due KURA from SVED is determined. SVED shall also provide KURA all products or work generated prior to date of termination. All products or work generated, whether complete or not, are the property of KURA.

- c. Independent Contractor. KURA and SVED hereby agree that the SVED shall perform the services set forth in Section 3 of this Agreement exclusively as an independent contractor and not as employee or agent of KURA. The Parties do not intend to create through this Agreement any partnership, corporation, employer/employee relationship, joint venture or other business entity or relationship other than that of independent contractor. SVED, its agents and employees shall not receive nor be entitled to any employment-related benefits from KURA including without limitation, workers compensation insurance, unemployment insurance, health insurance, retirement benefits or any benefit that KURA offers to its employees. SVED shall be solely responsible for the payment of all payroll and withholding taxes for amounts paid to SVED under this Agreement and for SVED's payments for work performed in performance of this Agreement by SVED, its agents and employees; and SVED hereby releases, holds harmless and agrees to indemnify KURA from and against any and all claims or penalties, including without limitation the 100% penalty, which in any manner relate to or arise from any failure to pay such payroll or withholding taxes.

KURA shall determine the work to be done by SVED, but SVED shall determine the legal means by which it accomplishes the work specified by KURA. KURA agrees that it will have no right to control or direct the method, manner, or means by which SVED accomplishes the results of the services performed hereunder. SVED has no obligation to work any particular hours or days or any particular number of hours or days. SVED agrees, however, that his or her other contracts and/or services shall not interfere with the performance of his or her services under this Agreement. KURA agrees to coordinate project schedules and respective

commencements and deadlines with SVED.

SVED shall supply, at SVED's sole expense, all equipment, tools, materials, and/or supplies to accomplish the services to be provided herein.

- d. Compliance with Laws/Public Records. SVED acknowledges that KURA is an independent public body corporate and politic subject to the Public Records Act, Chapter 1, Title 74, Idaho Code, as amended. SVED will communicate with and cooperate with KURA upon request by KURA so as to identify, address, potentially disclose, and evaluate exemptions as necessary for records that may be subject to the Public Records Act. SVED further agrees to comply with all federal, state, city, and local laws, rules and regulations.
- e. Non-assignment. This Agreement may not be assigned by or transferred by SVED, in whole or in part, without the prior written consent of KURA.
- f. Hold Harmless Agreement. SVED shall indemnify, defend and save and hold harmless KURA, its officers, agents, and employees, from and against any and all claims, loss, damages, injury or liability, including but not limited to, the misapplication of KURA funds, state or federal anti-trust violations, personal injury or death, damages to property, liability arising out of the use of materials, concepts, or processes protected by intellectual property, rights and liens of workmen and materialmen, howsoever caused, resulting directly or indirectly from the performance of the Agreement by SVED.
- g. Entire Contract. This Agreement contains the entire contract between the Parties and shall not be modified or changed in any manner, except by prior written contract executed by both Parties.
- h. Succession. This Agreement shall be binding upon all successors in interest of either party hereto.
- i. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.
- j. Law of Idaho. This Agreement shall be construed in accordance with the laws of the State of Idaho.
- k. Severability. If any clause, sentence, or paragraph of this Agreement is held by a court of competent jurisdiction to be invalid for any reason, such decision shall not affect the remaining portions, and the parties do now declare their intention that each such clause, sentence, or paragraph of this Agreement is a separate part hereof.

- l. Preparation of Contract. No presumption shall exist in favor of or against any party to this Agreement as a result of the drafting and preparation of the document.
- m. No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.
- n. Attorney's Fees. In the event either party hereto is required to retain counsel to enforce a provision of this Agreement, to recover damages resulting from a breach hereof or if either party defaults in the performance of this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable attorney's fees incurred herein or on appeal.
- o. Conflict of Interest. No officer or director of SVED, who has decision-making authority or immediate family member of such individual, shall have a direct pecuniary interest in any contract or subcontract for work to be performed in connection with this Agreement. SVED shall incorporate or cause to be incorporated in all such contracts, a provision prohibiting such interest pursuant to this provision.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first written below.

Ketchum Urban Renewal Agency

Susan Stowell
Chair

Date AUG. 30 2019

ATTEST:

Robin Crotty
Robin Crotty, Agency Secretary

Sun Valley Economic Development Corp.

Harry Griffith
Harry Griffith, Executive Director

Date Aug 30 2019

Exhibit A

SVED shall provide the following services:

- a. Business Development within the KURA Revenue Allocation Area.
 - i. SVED shall attract new businesses and relocate existing businesses within the boundaries of the KURA Revenue Allocation Area by identifying and soliciting potential companies and businesses to bring their operations to the Revenue Allocation Area.
 - ii. For existing businesses, SVED shall provide consulting and mentoring services to improve and strengthen businesses currently located within the project area.
- b. Project Development within the KURA Revenue Allocation Area.
 - a. SVED shall make measurable and quantifiable progress on making the following projects occur within the KURA Revenue Allocation Area:
 - 1. Olympic Center Development
 - 2. Human Performance Lab Development
 - 3. Other innovation project development

For the above projects, measurable progress shall be defined as advancing community partnerships, obtaining capital or securing financing, developing business plans, and executing contract and agreements.
- c. Economic Development Consulting to KURA. On a case by case basis, SVED shall respond and fulfill specific requests submitted to SVED from the KURA Board regarding requests for economic analysis and research as it may relate to projects within the KURA Revenue Allocation Area.



Ketchum Urban Renewal Agency

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

APPLICATION FOR PROJECTS REQUESTING FUNDING FROM THE KURA

Applicant and Project Information

Applicant Name:

Harry Griffith, Executive Director

Name of Project:

Sun Valley Economic Development

Project Description: SVED is a public private partnership dedicated to promoting the economic vitality, diversity and quality of place throughout Blaine Co. SVED

works for Ketchum to attract new business/jobs, promote economic growth, attract visitors/events & increase overall economic activity.

Project Location: POB 3893 Ketchum, ID 83353

Date Submitted:

7/9/2020

Estimated Date of Completion:

September 2021

Application Submittal Requirements

- ☒ Brief narrative describing the proposed public benefit of the project
- ☐ Map of project location
- ☐ Attached professional bids
- ☐ Attached preliminary/construction drawings

Notes on Submittals

2020 Performance objectives

Projects Questions:

1. Is this project identified within the Urban Renewal Plan for KURA?
2. If identified in the Urban Renewal Plan, indicate section and page:
3. Estimated assessed value of project after completion (*taxable value*):
4. Will any KURA board members or staff financially benefit from the project?
5. New or retained jobs resulting from project:
6. Approximate return on public fund investment. (I.e. Public\$/Private\$)
7. Funding amount requested:

Yes: ☒

No: ☐

Section: _____ Page: _____

\$ _____

Yes: ☐

No: ☒

Full Time: 1 Part Time: 1

\$ _____

\$ 15,000

Applicant's Signature

Date: 7/9/2020

Property Owner's Signature (if different):

Date: _____

Sun Valley Economic Development

ANNUAL PERFORMANCE CRITERIA

Performance Objective Number	Action Plan Category	Performance Criteria/Assessment (Green=Delivered, Yellow=Partially Delivered, Red=Not Delivered)	Responsibility	Target Date for Delivery	Weight (1=lo, 3=hi)
1	Business Attraction, Expansion, Retention and/or Creation	Deliver improved annual economic profiles	DP	15-Sep-20	2
2		Activate Housing Ready Team 3+ times	Shared	30-Dec-20	3
3		Participate in 5 tourism/hospitality-related expansion activities/programs	Shared	30-Dec-20	2
4		Introduce/propose 5 State/Local incentive programs to help local businesses	HEG	30-Dec-20	2
5		Conduct talent needs assessment	DP	15-Sep-20	3
6		Prepare and implement social media program	DP	30-Dec-20	2
7		Secure certificate of occupancy for culinary institute opening	HEG	30-Mar-20	3
8	Place Making	Provide strategic and/or analytical support for 3 community events	Shared	30-Dec-20	1
9		Conduct a minimum of 2 annual conversations with each City government/representative	Shared	30-Dec-20	2
10	Training	Attend 2 Southern Idaho Economic Development & 2 Idaho Economic Development Association events	Shared	30-Dec-20	1
11		Participate in 5 Virtual Roundtables or other Commerce training activities	Shared	30-Dec-20	1
12	Other	Visit 10 existing or new member businesses per month	DP	30-Dec-20	3
13		Secure 5 new members for year	DP	30-Dec-20	3
14		Maintain YE membership at 115	DP	30-Dec-20	2
15		Deliver positive YE operating income, along with budgeted Forum & Summit outcomes	Shared	30-Dec-20	3

33

Sun Valley Economic Development, Inc.

BALANCE SHEET

As of June 30, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Bank Accounts	
Checking-Sustain Blaine (Zions)	0.00
Total Bank Accounts	0.00
PayPal	0.00
US Bank - SVED	8,556.68
Total Bank Accounts	\$8,556.68
Accounts Receivable	
Accounts Receivable	15,450.00
Total Accounts Receivable	\$15,450.00
Other Current Assets	
Undeposited Funds	100.00
Total Other Current Assets	\$100.00
Total Current Assets	\$24,106.68
Other Assets	
Organizational Costs	10.00
Total Other Assets	\$10.00
TOTAL ASSETS	\$24,116.68
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	7,000.00
Total Accounts Payable	\$7,000.00
Other Current Liabilities	
Refundable Deposit	0.00
Total Other Current Liabilities	\$0.00
Total Current Liabilities	\$7,000.00
Total Liabilities	\$7,000.00
Equity	
Unrestricted Net Assets	11,018.24
Net Income	6,098.44
Total Equity	\$17,116.68
TOTAL LIABILITIES AND EQUITY	\$24,116.68

Sun Valley Economic Development, Inc.

PROFIT AND LOSS

January - June, 2020

	TOTAL
Income	
Income	
Events	
Summit	
Summit - Sponsorship	1,000.00
Total Summit	1,000.00
Total Events	1,000.00
Grant Income	
State Dept of Commerce	12,250.00
Total Grant Income	12,250.00
Private Sector	
Membership	41,500.00
Total Private Sector	41,500.00
Public Sector	
Ketchum	2,500.00
Kura	7,500.00
Total Public Sector	10,000.00
Total Income	64,750.00
Interest Income	1.70
Uncategorized Income	2,000.00
z In Kind Revenue & Services	3,200.00
Total Income	\$69,951.70
GROSS PROFIT	\$69,951.70
Expenses	
Office Administration	
Accounting	
General Accounting	1,700.00
Tax Preparation	345.74
Total Accounting	2,045.74
Bank Costs	429.85
Dues & Subscriptions	-100.00
Total Office Administration	2,375.59

Sun Valley Economic Development, Inc.

PROFIT AND LOSS

January - June, 2020

	TOTAL
Operating Expenses	
Compensation	
Executive Director	28,000.00
Bonus	6,624.00
Total Executive Director	34,624.00
Membership Director	
Base	16,500.00
Commissions/Bonus	6,008.32
Total Membership Director	22,508.32
Total Compensation	57,132.32
Consulting	2,325.00
Marketing	1,575.98
Travel, Meals & Entertainment Expense	304.38
Web Site	90.00
Total Operating Expenses	61,427.68
Uncategorized Expense	49.99
Total Expenses	\$63,853.26
NET OPERATING INCOME	\$6,098.44
Other Expenses	
Other Miscellaneous Expense	0.00
Total Other Expenses	\$0.00
NET OTHER INCOME	\$0.00
NET INCOME	\$6,098.44