



CITY OF KETCHUM, IDAHO SPECIAL KETCHUM CITY COUNCIL

Monday, December 09, 2019, 4:00 PM
480 East Avenue, North, Ketchum, Idaho

PRESENT

Mayor Neil Bradshaw
Council President Michael David
Councilor Amanda Breen
Councilor Jim Slanetz
Councilor Courtney Hamilton

STAFF PRESENT

Ketchum City Administrator Suzanne Frick
Director of Finance & Internal Services Grant Gager
Ketchum City Attorney Matt Johnson – present by phone

- **CALL TO ORDER:** By Mayor Neil Bradshaw
Mayor Neil Bradshaw called the meeting to order at 3:32 p.m.
- **ROLL CALL**
- **COMMUNICATIONS FROM MAYOR AND COUNCILORS**
No comments
- **COMMUNICATIONS FROM THE PUBLIC** on matters not on the agenda (Comments will be kept to 3 minutes)

Mayor Neil Bradshaw asked for comments for items that are not on the agenda. There was none.

- **PUBLIC HEARINGS AND DISCUSSIONS** (Public comment and input taken on the following items)
 1. **ACTION:** Recommendation to Accept Public Comment and Review and Determine: (1) if Trail Creek LLC has cured the development agreement breach and (2) if not cured, direct staff to proceed to initiate communications and administrative work as necessary for site restoration.

Mayor Neil Bradshaw explained the timeline and talked about the process before them. He talked about the comments that have been sent in that are part of public comment and invited the public to 3 minutes of public comment.

Martin Ford talked about the successes of Jack Barriteau's projects and about all this project will bring to the City. He voiced his support.

Rick LeFaive talked in support of the project saying a 5-star hotel in Ketchum is a win for the area.

Gary Hoffman spoke in favor of this project and talked about the benefits of the increased LOT and employee housing this project will bring to Ketchum. Gary Hoffman talked about local economic stimulus and referenced the Limelight Hotel and the Sun Valley Culinary Institute.

Ed Johnson is unsure of why the council is taking public comment, however, voiced his support of the Harriman Hotel.

Tom Benson advised that he reviewed the documents provided, however he does not see the loan documents. He voiced concern over losing the Bond.

Jima Rice stated that the documents provided, proves he does not have the funding, and suggested the City terminate the agreement. She referenced the documents in the packet saying there is nothing in writing. She questioned the deal for Mosaic stating there is no written proof from Mosaic.

David Caldwell stated that he has been part of this project over the last 5 years and, contrary to what is being said today, Jack Barriteau has the financing. He spoke in support of the project.

Brian Formusa, Engineer, stated that Jack Barriteau is the only developer he will work with and vouched for his character.

Pat Duggan talked about the amount of time the city has spent focusing on 2 hotels. She stated that if Jack Barriteau cannot prove he has the money then this project should not be done. Pat Duggan spoke against 4 hotels at the entrance to town.

Attorney Ed Simon, representing Vicky Graves, referenced a previous meeting and quoted what was being required. He talked about a letter he sent on December 2nd as well as about the documents before them and what they mean. He talked about the lender and when the LLC was formed and advised that the initial agreement was with Trail Creek Fund and it is now Herriman. There is no contract between the City and Mosaic or Herriman. He talked about the Bond name being in Trail Creeks name.

Attorney Ed Lawson thanked council for the special meeting advising that the recorded Deed of Trust has been provided. The Council will now decide if there is adequate proof of funding. He referenced the facts and talked about loan document.

Public Comment closed at 3:57 p.m.

Mayor Neil Bradshaw outlined the question before council explaining that this gives the applicant one last shot to get this project done. He spoke in support of Mosaic and turned the meeting over to council.

Councilor Amanda Breen advised that she believes the documents provided are sufficient evidence and they meet the requirements of the agreement.

Councilor Jim Slanetz questioned Director of Finance and Internal Services Grant Gager and City Attorney Matt Johnson if the documents meet the standards. He questioned Jack Barriteau's signature being the only one on the document.

Attorney Matt Johnson asked the council if there is sufficient information to make the decision. Director of Finance & Internal Services Grant Gager spoke saying that the terms appear to meet the requirements. Councilor Jim Slanetz questioned the one signature from the buyer and nothing from the lender? Mayor Neil Bradshaw talked about the deed of trust stating that what we have required from Jack Barriteau is more than Ketchum has ever required from a developer before.

Attorney Ed Lawson explained that Jack Barriteau has executed a completion guarantee in favor of the lender. Councilor Amanda Breen asked Ed Lawson about the name on the Bond. Ed Lawson advised that there is no risk to the bond.

Attorney Ed Simon talked about the bond and the importance of having the appropriate names on the bond. He said the documents Ed Lawson referred to are not in the record.

Councilor Amanda Breen talked about the amendment and what was required stating that Jack Barriteau has provided that.

Councilor Courtney Hamilton asked if there was any proof of the cost of the project? Mayor Neil Bradshaw advised that the figure will come at a later time. Courtney Hamilton questioned if there are any issues with the change of the LLC? Can the bond be converted? City Attorney Matt Johnson said the assignment issue can be worked out and suggested incorporating a statement into the motion stating such.

Council President Michael David referenced the Development Agreement and said that the documents have been provided and conditions have been met.

Councilor Jim Slanetz questioned the construction loan. Mayor Neil Bradshaw advised that we don't have that document and we didn't ask for it. Jim Slanetz talked about his fear of losing the bond and failing the community. Mayor Neil Bradshaw talked about the process going forward if we cure the bond. Jim Slanetz said this seems like half of an agreement. Attorney Ed Lawson advised the document was never requested and it holds proprietary trade secrets that cannot be shared. Jim Slanetz questioned if the financing is in place. Ed Simon talked about the terms of the loan documents and suggested the Council require proof of funding. Jim Slanetz asked for a letter of credit. Ed Lawson said there is no reason to have a letter of credit and he has personal knowledge.

Mayor Neil Bradshaw does not want to see a delay in the decision stating there is a tight timeline, he advised if the financing has not been met that will be evident in the next 6 months. Councilor Amanda Breen agrees with Mayor Bradshaw and is in support of the documents before them. Councilor Courtney Hamilton understands Councilor Slanetz's concerns, however, she stated that it is up to the Council to be sure this project will go forward and we have what we requested. Council President Michael David stated that what we've asked for we've received, and the breach has been cured. He would like to see the fence changed around the site.

Motion to find the breach of the Development Agreement cured contingent upon the final processing of the appropriate assignment documents in relation to the development agreement and provision of a restoration bond.

Attorney Matt Johnson explained that the first part of the motion is clarifying the declaration is cured. The second part is saying that a condition, at the appropriate assignment of the

documents, will state, Trail Creek LLC has assigned all of its interests to Harriman and that is put on record with the Development Agreement so that Harriman takes the place of Trail Creek with respect to all of those agreements with the City. Further, it was deemed that the restoration Bond Is updated via some sort of an assignment document to make clear that it is now specifically in the name of Harriman as well as the successor and interest to Trail Creek. Mayor Neil Bradshaw questioned when the restoration bond will go away. Matt Johnson clarified it would go away when the project is completed. The Bond would be called on if there is a default of one of the agreements. How the bond works, and the timeframe was discussed in detail.

Attorney Ed Lawson advised they were happy to incorporate what is being requested, however, he requested a letter from the Mayor to Mosaic stating that the defaults of the development agreement was cured in a timely fashion and that all revisions have been met. Mayor Neil Bradshaw clarified that if this motion is approved, he will have the authority to write such a letter.

***Motion made by Councilor Breen, Seconded by Council President David.
Voting Yea: Council President David, Councilor Breen, Councilor Hamilton
Voting Nay: Councilor Slanetz***

Mayor Neil Bradshaw is thankful for the process they have gone thru and asked the developer to be thoughtful of the neighbors.

- ADJOURNMENT

Motion to adjourn at 4:34 p.m.

***Motion made by Councilor Breen, Seconded by Councilor Hamilton.
Voting Yea: Mayor Bradshaw, Council President David, Councilor Breen, Councilor Hamilton,
Councilor Slanetz***

Neil Bradshaw, Mayor

Robin Crotty, City Clerk