



Ketchum Urban Renewal Agency

P.O. Box 2315 | 191 5th Street | Ketchum, ID 83340

June 24, 2024

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

RECOMMENDATION TO APPROVE AGREEMENT 50093 WITH INTEGRA REALTY RESOURCES TO PREPARE A REUSE APPRAISAL FOR THE FIRST AND WASHINGTON PROPERTY

Introduction/History

By law, the Agency may dispose of real property for no less than the fair reuse value. In order to enter into a lease with First + Washington Properties, LLC for the First and Washington property, the Agency must establish the fair use reuse value of the parcels.

Per Section 6 of the approved Development and Disposition Agreement with First + Washington LLC, the Agency committed to engaging Robin Brady, MAI, with Integra Realty Resources to determine the fair reuse value for the property at the Agency's expense. Robin Brady will work with the First and Washington development team to obtain the data necessary to prepare the analysis. The reuse appraisal data includes but is not limited to:

- Costs expected to be incurred and revenues expected to be realized in the course of developing and disposing of the Property
- Residential unit types, sizes and expected rents,
- Construction type and materials, exterior and interior finish materials,
- Square footages of uses other than residential
- Leasing assumptions for other uses and assets such as office space and retail space
- Parking stalls and usage
- Assumptions regarding soft costs such as marketing and insurance, risks of Agency, risks of Developer,
- Developer participation in the funding of public facilities and amenities
- Estimated or actual developer return, including assumptions regarding entrepreneurial incentive, overhead and administration as these factors apply to the Project

Financial Requirement/Impact

The proposal for the reuse appraisal is not to exceed \$8,500 with \$4,250 upon execution of the agreement and \$4,250 upon completion of the report. Funds are available in the FY24 budget.

Recommendation and Motion

Staff recommends the Board adopt the following motion:

"I move to approve Agreement 50093 with Robin Brady with Integra Realty Resources".

Attachment: Proposed Agreement 50093

Integra Realty Resources
Boise

Greenbelt Business Park
1031 E. Park Blvd.
Boise, ID 83712

T 208.342.2500
F 208.342.2220
www.irr.com



June 13, 2024

Ketchum Urban Renewal Agency
c/o Abbey Germaine
Elam & Burke
251 E. Front St., Ste. 300
Boise, ID 83702
(208) 343-5654
arg@elamburke.com

RE: Fair Reuse Appraisal
211 E. First St.
Ketchum, ID
Lots 5, 6, 7, and 8, Block 19, Village of Ketchum
Parcel no. RPK0000019005B, RPK0000019006B, RPK00000190070

This letter is to confirm our agreement to perform professional services for you on the above-referenced property.

The following conditions will be the basis of a contract agreement between you ("Client") and Integra Realty Resources – Boise (IRR Boise).

1. Client:
Same as above
2. Scope of Services:
Develop an opinion of the fair reuse value of the above-referenced property, defined as what an informed party could justify paying for the site under the specified redevelopment plan. Said plan includes 66 units of workforce housing renting between 110% and 127% of AMI, plus 3,400 SF of commercial space. The

Ketchum Urban Renewal Agency

June 13, 2024

Page 2

property will be conveyed via a 50-year ground lease, thus an opinion of the fair reuse rent is needed.

Results to be communicated in a narrative appraisal report containing sufficient detail for the client’s intended use.

Unless explicitly instructed otherwise by the client, IRR-Boise will transmit the appraisal to the addressee and signatory of this engagement letter.

- 3. Value Definition: Fair Reuse Value as defined in Idaho Code 50-2011
- 4. Independent Judgment/Conduct: IRR Boise will exercise independent judgment and complete the appraisal or consulting assignment in accordance with sound appraisal practice and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP).
- 5. Payment/Retainer: Client agrees to pay IRR Boise as compensation for professional appraisal services, as specified below:

Not to exceed \$8,500

Retainer	\$4,250	Due upon execution of contract
Upon Completion	<u>\$4,250</u>	Due upon completion of report
	\$8,500	Total Fee

If for any reason it appears that the fees will exceed the preceding quotation, IRR Boise agrees to contact the client for further instructions / approval.

- 6. Late Fees/Collection: Fees are due and payable upon IRR Boise’s delivery of the reports to the Client or Client’s assigns, or as set forth in Item 4 preceding.

If any balance due IRR Boise under this agreement is not paid within 30 days of the performance dates or events set forth in Item 4, then such account shall be considered delinquent and shall accrue interest at per diem equivalent of a **1.5% per month** late penalty, commencing on the date such payment became originally due.

If any payment due IRR Boise Inc. is not paid when due, Client shall pay all expenses of collection, including but not limited to, reasonable court costs and attorney’s fees.

- 7. Unbiased Opinion: IRR Boise will provide an unbiased opinion without any preconception of a particular value or conclusion to the Client.

Ketchum Urban Renewal Agency

June 13, 2024

Page 3

8. Copies of the Report: IRR Boise agrees to provide the Client **3** copies of each appraisal report. Extra copies can be made available at a \$75 minimum charge per copy if ordered prior to delivery, or \$200 if ordered subsequent to delivery of the original reports.
9. Intended Use: Property disposition purposes
10. Other Intended Users: None
11. Delivery: The anticipated timeline to complete the project is

Approximately 45 days from receipt of requested information

This delivery date assumes we receive from the Client or property owner all readily available data pertinent to the assignment, including but not necessarily limited to:

1. **Conceptual building plans, including site plan, floor plan, elevations;**
2. **Gross building area (overall and by use);**
3. **Project cost estimate;**
4. **Terms of any arms-length sale of the property in the last 3 years;**
5. **Copies of any leases or letters of intent to lease the proposed space;**
6. **Developer pro-forma revenue, operating expenses, and net operating income**
7. **To the extent available, title report, ALTA survey, environmental site assessment, and property condition assessment report**
8. **Contact person who can arrange the property inspection**

The estimated completion period assumes that access to the property is readily available. We agree to make a good faith effort to complete the report within the anticipated time frame; but reserve the right to delay such completion where strict adherence to an anticipated delivery date would compromise the reliability or validity of the resulting analysis.

12. Court Testimony: If Client requests or anyone requires IRR Boise or its agent(s) to testify or be in attendance at any court or administrative hearing relating to this appraisal or consulting assignment, attend conferences or depositions relating thereto, and for any preparation relating thereto, such will be agreed upon prior to acceptance of the assignment, and the Client shall pay IRR Boise at the rate of

Robin Brady: \$300 per hour

Ketchum Urban Renewal Agency

June 13, 2024

Page 4

13. Cancellation: If you agree to the conditions set forth herein and subsequently decide that our services are no longer needed, you are responsible for payment for the time IRR Boise has invested in the project up to that point. In such case, you will be billed for the time IRR Boise has invested at the rate of **\$850 per day**, not to exceed the fee quote for the complete assignment.

There will be a minimum rescheduling charge of **\$850**.

14. Projects Put "On Hold." If during the course of this assignment IRR Boise's work has to be put on hold due to the unavailability of information required from the Client, IRR Boise will move on to the next project on its schedule, and will make every effort to come back to the Client's project as soon as the project next in line is completed, assuming the requested information from the Client has since become available.

When an appraiser puts a project on hold for a number of days, it takes the better part of the first day back on the Client's job to read through the file notes and appraisal draft to get back "up to speed" with where he left off. Projects which are delayed by the Client more than 3 weeks are subject to a \$850 increase in the fee for services rendered.

15. Confidentiality. IRR Boise and its employees and contractors will make every reasonable effort to hold information provided us by our client confidential, if clearly provided to us under the expectation of confidentiality. However, the simple act of the Client providing IRR Boise information does not imply any obligation of confidentiality, and the proper valuation of real estate requires and is dependent upon our ability to collect and analyze comparable sales, rents, expenses, and costs. Thus, in the absence of any explicit prohibition against the use of specific information, IRR Boise may use such data in our analyses of other properties for the same or other clients. In all situations, information obtained on properties other than the subject of our analysis (comparables and potential comparables) shall not be confidential or exclusively used for this assignment, and even confidential information may be subject to disclosure under court order or peer review by the Appraisal Institute.
16. Severability. In the event any provision of this agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, such determination shall not affect any other provision of this agreement and all other provisions shall remain in full force and effect.

Your signature on the original of this letter, returned to our office, will confirm our mutual understanding. Upon receipt of the signed letter, and all applicable information as outlined in Item 8 above, we will undertake our analysis of the above-reference

Ketchum Urban Renewal Agency

June 13, 2024

Page 5

property at our earliest opportunity. We appreciate this opportunity to be of service to you.

Sincerely,

Integra Realty Resources — Boise



Robin Brady, MAI

Senior Managing Director

Client (Signature)

Client Name & Title (Printed)

Company Name (Printed)

Date