



## **Ketchum Urban Renewal Agency**

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

January 27, 2025

Chair and Commissioners  
Ketchum Urban Renewal Agency  
Ketchum, Idaho

### **RECOMMENDATION TO PROVIDE DIRECTION ON FIRST + WASHINGTON DESIGN REVIEW PLANS AND AMENDMENT TO THE DEVELOPMENT AND DISPOSITION AGREEMENT PROJECT SCHEDULE**

#### Introduction

Staff requests direction on two topics:

- The project design to be prepared and submitted to the city for design review
- Feedback on amending the First + Washington project schedule in the Development and Disposition Agreement

#### Project Design

At the December KURA meeting the board supported establishment of a Local Improvement District (LID) to assist with the funding of a public parking structure in the First + Washington project. In January, the City Council supported establishment of an LID in concept with a request for additional public outreach and refinement of the assessment methodology.

KURA and Wood River Community Housing Trust (WRCHT) are at a crossroads and need to determine the project design to prepare and submit to the city for design review. Prior to the December KURA meeting and the January City Council meeting, the development team was preparing design plans that did not include public parking. With the recent actions on the LID, staff and WRCHT are seeking direction on how to proceed. The options for consideration include:

1. Project design without public parking
2. Project design with public parking
3. Prepare two options, one with and one without public parking

#### LID Process and Timeline

A definitive decision on the LID will occur after additional public outreach occurs, the assessment methodology is further refined, and the city council conducts formal hearings to establish the LID. It is anticipated this process will take 3-4 months to complete. The next step is public outreach on the expanded LID boundaries and preliminary assessment estimates for individual properties.

The next phase of outreach will include a survey, newspaper and social media ads, postcard notification of all property owners within the LID boundaries and at least two public open houses. The outreach plan is underway, and the open houses will take place the week of February 10<sup>th</sup>. KURA and city staff are recommending a joint meeting of the KURA and city council on February 18<sup>th</sup> to share the outreach results and confirm the direction from both KURA and city council.

#### Issues for KURA Consideration

The following is offered when considering the path forward:

- The approach to addressing the Planning and Zoning Commission design comments is different depending on the inclusion of public parking. A project with subterranean parking must facilitate a parking ramp and the parking dictates the location for building circulation (stairs, elevator) and equipment locations. These factors change the exterior design of the project.
- A final decision on the LID is not expected for at least 3-4 months. Waiting until a final decision is made on the LID before project design work starts delays the project and likely shifts construction into 2027. The original schedule in the DDA anticipated construction in 2025, and with the delays to date, construction has shifted to 2026. The additional delay may or may not be accepted by WRCHT and the development team.
- There is risk proceeding with any of the options. The risk is the LID will not be approved and design work and costs associated with the public parking option will be forfeited.

Staff recommends the KURA provide direction on the project design option so the project can continue moving forward.

#### Amendment to DDA

The project DDA was approved by the KURA and became effective March 26, 2024. The DDA included deadlines and a schedule of performance for the KURA and development team (Attachment A). The development team and KURA met the performance schedule for submission and review of the preliminary and schematic design plans (items 7-10 in schedule).

Due to the delay in evaluating the public parking options, submission of design review documents and the subsequent deadlines have not been met. WRCHT and deChase Miksis submitted a letter requesting KURA provide guidance on how best to proceed with an updated project design and timeline (Attachment B).

To date, the development team has been accommodating with the delays. A change to the performance schedule requires approval of both the KURA and development team. The KURA decision on the project design approach will provide the requested direction and allow for a renegotiation of the DDA performance schedule. Once KURA provides direction, staff will work with the development team and present an amendment to the DDA and performance schedule to the KURA.

#### Financial Requirement/Impact

Depending on the decision of the KURA, there could be additional design expenses. It is difficult to quantify the expenses at this time. Once a decision is made, staff will provide information on the projected costs.

Recommendation

Staff recommends the KURA provide direction on the design approach and any feedback on revisions to the DDA schedule of performance.

Attachment A: DDA Schedule of Performance

Attachment B: December 18, 2024 Letter from WRCHT and deChase Miksis

## Attachment A

**Attachment 5**

**Schedule of Performance**

	<b>Action</b>	<b>Due Date</b>	<b>Section</b>
1	<b>Execution &amp; Delivery of Agreement by Developer.</b> Developer shall execute and deliver this Agreement to Agency.	As soon as practical	16.10
2	<b>Execution of Ground Lease</b>		5.1.1
3	<b>Execution and Delivery of Agreement by Agency.</b> Agency shall consider approval of this Agreement, and if approved, shall deliver one executed original to Developer.	Within forty-five (45) days of execution by Developer	16.10
4	<b>Payment of Deposit.</b> Developer previously deposited with Agency the sum of \$10,000.00	Completed.	5.2.4(b)
5	<b>Submission of Preliminary Evidence of Financing.</b> Developer shall submit to Agency evidence satisfactory to the Agency that Developer will have at or before execution of the Ground Lease the financial capability necessary for the development of the Project thereon pursuant to this Agreement.	No later than ninety (90) prior to execution of Ground Lease	4.1
6	<b>Time to Approve Evidence of Financing.</b> Agency shall approve or disapprove of Developer's evidence of financing	Within twenty (20) days of Developer's submission of evidence of financing.	4.3
7	<b>Submission of Preliminary Plans</b>	Within one hundred twenty (120) days after Effective Date	8.4
8	<b>Approval of Preliminary Plans</b>	Within twenty-one (21) after receiving submission.	8.4
9	<b>Submission to Agency of Schematic Design Documentation</b>	Within sixty (60) days after Agency approval of the Preliminary Plans	8.5
10	<b>Approval of Schematic Design Documentation.</b>	Within fifteen (15) days following the public workshop	8.5
11	<b>Submission of Design Review Drawings.</b>	Within ninety (90) days after Agency approval of Schematic Design Documentation.	8.6
12	<b>Approval of Design Review Drawings</b>	Within twenty (20) days after receiving submission.	8.6

13	<b>Submission of Final Construction Drawings</b>	Within ninety (90) days after the City's issuance of a Design Review Permit.	8.7
14	<b>Approval by Agency of Final Construction Drawings</b>	Within twenty-one (21) days of receipt by Agency.	8.7
15	<b>Submission of Building Permit Application to the City by the Developer.</b>	Within 30 days of Agency approval of Final Construction Documents	8.7
16	<b>Commencement of Construction</b>	Within ninety (90) days of Developer receiving Building Permit from City.	8.7
17	<b>Completion of the Project and Issuance of a Certificate of Occupancy</b>	Within 30 months of issuance of the Building Permit by the City.	8.7
18	<b>Insurance.</b> Developer shall furnish evidence of the insurance required under the Agreement to Agency.	Prior to Execution of Ground Lease.	10
19	<b>Construction Loan Closings.</b>	Concurrently with execution of Ground Lease	4
20	<b>Conditions Precedent to Ground Lease.</b> All Conditions Precedent to Closing shall be satisfied or waived as appropriate.	Prior to Execution of Ground Lease	5
21	<b>Construction Contract.</b> Requires Project to be constructed for under the Project Budget.	Prior to Execution of Ground Lease	5.2.4(f)
22	<b>Certificate of Completion.</b> Agency shall provide Certification of Completion to Developer.	Promptly following City's issuance of a certificate of occupancy for 100% of the residential units and a certificate of occupancy/completion of at least the shell/core of the retail and/or office and/or commercial use and Developer is not in default.	11.1

## Attachment B



December 18, 2024

Suzan Frick, Executive Director  
Ketchum Urban Renewal Agency  
191 5th Street West  
Ketchum, ID 83340

VIA EMAIL: [sfrick@ketchumidaho.org](mailto:sfrick@ketchumidaho.org)

**RE: 1st AND WASHINGTON AFFORDABLE WORKFORCE HOUSING PROJECT  
SCHEDULE OF PERFORMANCE UPDATE**

Ms. Frick:

On behalf of First + Washington Properties, LLC ("Developer"), this letter serves to update The Ketchum Urban Renewal Agency ("Agency") on the 1st and Washington Affordable Workforce Housing Project ("Project") and to formally request a revision to the Disposition and Development Agreement ("DDA") Schedule of Performance to reflect the delay outlined below.


In accordance with Sections 8.4 and 8.5 of the DDA, the Developer submitted the Preliminary and Schematic plans for Agency. A public workshop was held, during which valuable input was received from both the public and the Agency. In response to this feedback, the Agency requested the Developer pause and study additional parking design options. The time required to study additional parking options will require an amendment to the Schedule of Performance.

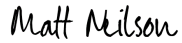
We respectfully request that the Agency provide guidance on how best to proceed with the updated design and a timeline we can expect direction. Once this direction is provided, the Developer will propose updated milestones for the Schedule of Performance through a DDA amendment.

Thank you for your understanding and continued collaboration. We look forward to receiving your feedback and direction on the next steps.

Please feel free to reach out with any questions or to discuss this matter further.

Sincerely,

Signed by:  
  
D889D220EFFE4491  
Steven M. Shafran  
WRCHT

Signed by:  
  
AE77A403CFD24CD...  
Matt Neilson  
deChase Miksis