



City of Ketchum

August 15, 2022

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation To Approve Amendment to Council Agreement 22760 Between the City of Ketchum and the Ketchum Urban Renewal Agency

Recommendation and Summary

Staff is recommending the council authorize the Mayor to approve an amendment to Agreement 22760, an agreement between the City and Ketchum Urban Renewal Agency (KURA) for KURA reimbursement of the demolition costs for old City Hall by adopting the following motion:

I move to authorize the Mayor to sign the First Amendment to Agreement 22760.

The reasons for the recommendation are as follows:

- The City Council approved the Agreement in February 2022 and after completion of the demolition, additional costs were incurred by the contractor.
- The KURA approved splitting the additional cost with the city on July 18, 2022 and is scheduled to approve the First Amendment Agreement on August 15, 2022.

Introduction and History

The City and KURA entered into a reimbursement agreement for KURA funding for the demolition of old City Hall. The agreement established the reimbursement cost for demolition at \$201,061.40.

The demolition of the structure is complete. The cost for the demolition exceeded the amount in the agreement by \$16,937.75. The additional cost was due to unforeseen conditions such as removal of an unknown oil tank, removal of an unknown septic tank, and increased debris disposal costs due to removal and disposal of larger than anticipated building footings.

The KURA agreed to split the additional cost with the City and pay \$8,468.44. The attached amended agreement reflects this action.

Financial Impact

This Agreement will authorize KURA reimbursement of the remaining costs for demolition of old City Hall. The KURA reimbursement is \$8,468.44.

Attachment: Amended Agreement 22760

**FIRST AMENDMENT
TO KURA AGREEMENT 50076 AAND CITY COUNCIL AGREEMENT 22760
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