



Ketchum Urban Renewal Agency

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

January 17, 2023

Chair and Commissioners
Ketchum Urban Renewal Agency
Ketchum, Idaho

FOLLOW-UP INFORMATION REQUESTED BY KURA

Introduction/History

At the November 14, 2022 meeting when the Board discussed the development proposals for 1st and Washington, the Board asked for follow-up information. The following provides information requested by the Board.

Summary of Ranking Comments

The Board requested additional detail on the rationale used by the internal team to rank the proposals. Attachment A provides comments by the internal team when ranking the proposals.

Property Tax Contribution

Staff contacted Jim Williams, the Blaine County Assessor to gather information and clarity on the question about assessment of property taxes for the improvements and the property.

The 1st and Washington property is owned by KURA, a public agency. As such, it is not currently subject to property taxes. The property will continue to be owned by the KURA and therefore the property itself will not be subject to property taxes once it is developed. Properties and improvements owned by non-profit organizations established through IRS regulations, are also exempt from property taxes. To gain this exemption, the non-profit must file for the exemption annually with the Blaine County Assessor. The Assessor reviews the request to determine if the non-profit still owns the property/improvements and qualifies for the exemption. The Assessor's determination is confirmed by the County Commissioners.

Two of the three proposals, WRCHT/deChase and Servitas, proposed non-profit entities as the owner of the property improvements. Should the non-profit entity continue to own the improvements and qualify for the non-profit exemption, no property taxes

would be assessed. The third proposal, Blueline Development, proposed a traditional financing and operating model that did not include a non-profit entity. In that case, property taxes would be assessed.

The assessment of property taxes did not factor into the rankings of the proposals. Rather, the ability of the development team to deliver a successful project meeting the KURA objectives was the key rating factor. The waiver of property taxes may be financially necessary in order to develop and maintain long-term deed restricted housing.

If there are any additional questions, staff would be happy to provide further information.

			Available Points	Bonus Points Available	Total Points Available	WRCHT/deChase MiksisTotal Points	Servitas Total Points	Blueline Total Points	Comments
DEVELOPMENT TEAM									
Minimum Requirements: Comprehensive development team with all areas of expertise. Acceptable legal entity structure.	50								WRCHT/deChase: Local owner/operator/manager along with local development and design team. Understand the issues developing in the Wood River Valley. Proposed a comprehensive local team with experience in workforce and mixed income housing, and sustainable construction. Servitas: Texas development team, out of area architect and contractor, design consultant in Ketchum, Civil Engineer in Hailey. Experience with design/build/ lease back to owner, different type of development model. Primary experience with student housing projects. Blueline: Montana development team, Ketchum Landscape Architect and Civil Engineer in Hailey. Primary experience in low-income tax credit housing projects, limited experience with mixed income projects.
Preferred Outcome: Development team with some or all members based in the Wood River Valley		50	100	96	64	49			
PORTFOLIO AND RESUME									
Relevant experience of team members for proposed project. Demonstrated expertise developing mixed-income housing in urban settings, designing high performance buildings, producing contextually appropriate projects with high-quality results, innovation of complex parking systems, and strong communication skills in a public setting. Excellent references from previous project partners.	100								WRCHT/deChase: Development Team has experience with development in Ketchum, Boise and with public parking component. Comprehensive team proposed with relevant experience(see above). Servitas: Limited experience with mixed income projects. Financing model assumes master lease by KURA or other entity to off-set debt. Concerns with proposed project financing structure, may not be feasible in Idaho. Blueline: Not clear on extent of development team. Limited experience with mixed income workforce housing. Primarily a low income tax credit housing developer. Project construction costs appear low in comparison to construction costs in Ketchum. Concern the project may not be financially feasible.
AFFORDABLE/WORKFORCE/COMMUNITY HOUSING									
Minimum Requirements: Minimum of 35 housing units; balanced mix unit types (studio, 1 bd, and 2bd); achieves target income category percentages	125								WRCHT/deChase: Achieves all project objectives. Proposed 63-66 units, mix of income levels 32% of the units at 100% AMI, 30% of units at 120% AMI and 39% of units at 155% AMI. Maximum AMI is lowest of all the proposals. Unit sizes need to be evaluated, 67% of the units are studios. 3,400 sf of ground floor retail proposed. Servitas: Proposes 64 units, balanced mix of unit sizes, 36 studios, 21-1 bedroom and 7 two bedroom units. Higher income levels, 30% of units at 100% AMI, 30% of units at 120% AMI, 40% of units are at or above 210% AMI. No retail or activated use on ground floor, project fitness center proposed on ground floor. Blueline: Proposes fewer units, 41 total units with 71% of the units 1-bedroom, 20% 2-bedroom and 10% 3-bedroom. Income levels are higher with 27% of the units at 100% AMI, 29% of the units at 150% AMI, and 41% of the units at 200% AMI. Leasing office, clubroom and commercial space proposed on ground floor.
Preferred Outcomes: More units offered at the lower price points and longer-term pricing restrictions. Ground floor ADA accessible units. Increase minimum housing units.		50	175	155	118	96			
PARKING									
Minimum Requirements: includes both public and private parking. One level of underground parking	100								WRCHT/deChase: Proposes 2 main parking options. Each option provides between 20-44 dedicated residential parking spaces. Below grade public parking an option with KURA funding of \$9m for a total of 71 public spaces. Servitas: Proposes total of 68 shared parking spaces, no dedicated residential parking. KURA contribution for parking \$14-\$18m. KURA cannot fund parking dedicated to residential use. Blueline: Proposes total of 64 parking spaces, 27 dedicated to residential use and 36 underground for public use. No KURA contribution requested. Cost estimated for underground parking appears very low, cost does not align with local construction costs. Concern the parking cost is too low to achieve success.
Preferred Outcomes: minimum of 1 space per residential unit, two levels of underground parking		50	150	116	111	123			
GROUND FLOOR PEDESTRIAN ORIENTATION									
Minimum Requirements: Pedestrian oriented design at ground floor level along all street frontages	25								WRCHT/deChase: Ground floor retail proposed, corner retail elements with outdoor seating and breezeways. Responded well to activated ground floor. Servitas: No ground floor retail proposed, project fitness center proposed. Ground floor design does not activate the street. Blueline: Ground floor commercial proposed along with leasing office and clubhouse. No unique elements proposed.
Visionary Outcomes: Integrates unique and noteworthy architectural features. Innovative use of space that engages community members with memorable experiences. Public art installations.		50	75	57	20	41			
URBAN DEVELOPMENT AND ARCHITECTURAL DESIGN									
Minimum Expectations: Meets design review criteria and no requested variances from zoning regulations	75								WRCHT/deChase: No variances or exceptions required. Building design appears monolithic, mass needs to be broken down. Adjustments to occur during design review. Architect with experience going through Ketchum design review. Servitas: No variances or exceptions required. Building mass is articulated, street frontage design and activation lacking. High walls to private courtyard with little interface with public spaces. Blueline: No variances or exceptions required. Building design is bulky, needs mass broken up.
Visionary Outcomes: Integrates unique and noteworthy architectural features. Innovative use of space that engages community members with memorable experiences. Public art installations.		50	125	89	77	84			
SUSTAINABILITY/GREEN BUILDING									
Minimum Expectations: NGBS or LEED Silver, or equivalent	25								WRCHT/deChase: Proposes sustainability consultant as part of the development team to ensure a sustainable and energy efficient project. No unique measures proposed without additional funding. Servitas: Proposal does not clearly state commitment to or path to achieve sustainable design. Proposal provides some mention of green building design. Blueline: Proposal does not provide any information on sustainability or this rating issue.
Visionary Outcomes: Rooftop solar and other sustainable building systems above and beyond efficient fixtures and appliances		50	75	54	21	0			
TOTAL POINTS			800	664	469	460			