

## **MEMORANDUM**

To: Ketchum Urban Renewal Agency Board members and Suzanne Frick

From: RPA Agency counsel

Date: December 16, 2021

Re: Request to Approve Funding for the Demolition of the Old City Hall Building

The agenda for the Board meeting of December 21, 2021, includes an action item to consider the request for KURA funding for demolition of 480 East Avenue, the old City Hall building. The staff report for the request summarizes several sections of the 2010 Urban Renewal Plan (the Plan) which address several goals and objectives of the Plan. Those sections identify a goal for the opportunity of providing affordable housing within the Revenue Allocation Area, eliminating deteriorated or deteriorating areas and the demolition or removal of certain buildings and improvements.

Demolition and removal of buildings and improvements is listed as an activity for an urban renewal project in Idaho Code § 50-2018(10)(b) of the Idaho Urban Renewal Law (Law) and Idaho Code §§ 50-2903(13)(b) and (14)(a) of the Local Economic Development Act (Act). Urban renewal agency funding of demolition is a rather straightforward and common for urban renewal projects.

In addition to the narrative text cited in the staff report, the Plan includes Attachment 5 which describes certain public improvements within the Revenue Allocation Area and a detailed list of estimated project costs. Attachment 5 identifies potential assistance and funding for the city hall project as well as funding for affordable housing projects. While a specific “line item” for demolition is not identified, demolition would be a reasonably related activity to support an affordable housing project and the ability to leverage the old city hall site for that purpose. As the Plan pre-dates July 1, 2016, an urban renewal agency has quite a bit of flexibility to undertake activities related to plan objectives. For any urban renewal plan adopted after July 1, 2016, the Act requires much more specificity of the activities to be funded. Additionally, as the old City Hall Building is still owned by the City of Ketchum, the Law allows an urban renewal agency and city to work cooperatively for the purpose of carrying out an urban renewal project and related activities to of an urban renewal agency (Idaho Code § 50-2015(c)).

As stated in the staff report, should the Board decide to fund the demolition project, the funding would be credited toward the KURA repayment to the city of Ketchum for the housing loan obligation.

If the Board decides to fund the demolition project, such funding will comply with the Law, Act, and Plan.