

**OFFICE OF THE BOARD OF COUNTY COMMISSIONERS  
OF BLAINE COUNTY  
SPECIAL MEETING OF THE MAY 2019 SESSION**

**Fifth Day**

**Thursday, May 9, 2019**

Pursuant to Statutory Provisions, the Board of Blaine County Commissioners (BCC) met this day at 9:00 a.m. Present were Chairman Jacob Greenberg, Vice-Chair Angenie McCleary, and Commissioner Dick Fosbury; County Prosecutor Tim Graves; Assessor Melissa Fry; Assessor Tammy Robison; and Recording Secretary Gary Brower. *Idaho Mountain Express* reporter Mark Dee was present for part of the morning session.

Commissioner Fosbury was absent until 9:16 a.m.

Chairman Greenberg called the meeting to order at 9:02 a.m.

**PUBLIC COMMENT – None**

**Continued: 63-602NN PROPERTY TAX EXEMPTIONS**

Also Present: Sun Valley Economic Development Harry Griffith; Tim Eagan; and Blaine County Housing Authority Executive Director Nathan Harvill.

- **Ketch, 560 N 1<sup>st</sup> Ave Ketchum**

Also present via telephone: applicant representatives Ross Kelly and the construction manager.

Blaine County Attorney Tim Graves said this meeting is a continuation and that notice was adequate for this meeting.

Vice Chair McCleary asked about the affordability of units and if the tax exemption would lower the rents on the proposed units. Ross Kelly said rent would be lower, but did not have exact numbers and suggested tying the rents to the Area Median Income (AMI). Applicants confirmed a ground breaking ceremony occurred on April 22, 2019.

BCC discussed with applicant that rental rates and tax exemptions would be contractual with Blaine County. Also discussed were how this project meets the criteria of Blaine County Ordinance 63-602NN for tax exemption status.

Blaine County Attorney Tim Graves has preliminary draft of proposed contract for applicant and would need from BCC conditions of approval, amount of tax exemption and total of years of tax relief. BCC discussed several of these conditions of approval with the applicant.

Blaine County Housing Authority Nathan Harvill said they use the bedroom square footage and number of bedrooms in their analysis. Harvill suggested spreading the developer tax savings to fewer housing units to increasing their impact. Blaine County Housing Authority extended their services to provide qualified applicants to the developer.

Blaine County Chief Deputy Assessor Melissa Fry said the levy rates quoted were for 2018.

**McCleary moved, seconded by Fosbury to approve a tax exemption for Parcel RPK00000350060, the Ketch Properties, pursuant Idaho Code 63-602NN, finding that it meets the criteria of the state statute, the Blaine County Ordinance and the Blaine County Resolution, subject to an approved contract by this board being prepared by our legal counsel. The amount of the planned investment for this property is \$1,195,000 to be reviewed in the future when the cost are absolute, and within our contract it will specify that 3 additional 2 bedroom units will be tied to a category 3 income level for the duration of the exemption. The exemption will be for the total amount for the full 5 years allowed under Idaho Code. Discussion: Chairman Greenberg asked if category 3 as defined by Blaine County Housing Authority (BCHA)? Vice-Chairman McCleary said as defined in the contract. Blaine County Prosecuting Attorney Tim Graves said if BCC wants to align BCHA to be in the contract that is fine, and it does not need to be part of the motion. BCC affirmed BCHA in contract. Motion carried unanimously.**

- **Ketch 2, 100 E 6<sup>th</sup> St Ketchum**

Also present via telephone: applicant representative Ross Kelly and the construction manager.

BCC discussed project costs, proposed rental rates of regular and deed restricted units, commercial space, and quantity as well as categories of affordable housing units.

Fosbury Moved, seconded by Greenberg, to approve 2019 property tax exemption under State Code 63-602NN for certain business property on parcel RPK000000350050 for the applicant Ketch2 LLC having found it met the criteria in Blaine County Ordinance No 2019-07, with the understanding that the planned investment is determined to be \$1,450,000 and with a contract between the owner and Blaine County to be executed upon being prepared by the Blaine County Prosecuting Attorney and with the condition that 3 of the Market Rate 2 Bedroom Units would be maintained at a category 3, for the term of the exemption, which is 5 years. Blaine County Attorney Tim Graves suggested that costs are subject to verification and potential modification in future years; two units would also be deed restricted in perpetuity; and the commercial space would be for non-retail only. Fosbury amended motion as presented by Graves, seconded by Greenberg. Motion Carried Unanimously.

• **Jack Bariteau, 391 N 1<sup>st</sup> Ave Ketchum**

Also present: Applicant Representative Tim Egan; and Executive Director Harry Griffith

Blaine County Attorney Tim Graves said that notice has been provided and was previously acted up by board and this matter has been continued to this date.

BCC discussed the number of units in project, category of rents, and asked applicant about rental rates.

Applicant Representative Tim Egan said he was unable to provide these data points at this time. In response to Vice-Chair McCleary on if a tax exemption will impact the rent, Egan said it is largely dependent on the hotel operator as they are going to be providing housing to employees as an amenity.

McCleary would like to make sure that the motivation for project to obtain a tax emption is an incentive as opposed to a reward. Tim Egan said based on the definition presented, he is not sure there is an incentive.

BCC discussed with applicant several aspects of the proposed project. These topics included:

- No available dollar amount available from applicant for hard construction costs;
- commercial space component for culinary institute;
- penthouse on top floor of project;
- lack of willingness by applicant to tie tax exempt units to AMI index and affordable housing category;
- interpretation of ordinance 63-602NN;
- determining actual square footage of affordable housing component;
- determination of how workforce housing component is calculated for affordable housing thresholds;
- estimation of hard construction costs based on square footage of affordable housing component;
- determination of potential rental units used for affordable housing at category 3;
- creation of contract drawn up for BCC by Blaine County Attorney so applicant can review;

Harry Griffin said the intention of this project is to use workforce housing units as part of an employee benefits package. The master lease will go to the hotel.

Blaine County Attorney Tim Graves suggested that the owners of the building as well as the entity of the master lease would both need to be bound in the contract to maintain tax exempt status. Commissioner Fosbury said that the owners could be responsible for maintaining tax exempt status and omit the holders of the master lease.

Blaine County Attorney Tim Graves and BCC discussed project approval date for tax exemption of May 15, 2019 deadline for Fiscal Year (FY) 2020. Applicant will reapply before ground breaking for tax exemption status for FY2021.

**ADJOURN**

**At the hour of 11:48 a.m., with no more business before them, the County Commissioners adjourned.**

Attest: \_\_\_\_\_ Approved \_\_\_\_\_

JoLynn Drage  
County Clerk

Jacob Greenberg  
Chairman