

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

**First Day**

**Thursday, May 2, 2019**

Pursuant to Statutory Provisions, the Board of Blaine County Commissioners (BCC) met this day at 9:30 a.m. Present were Chairman Jacob Greenberg, Vice-Chair Angenie McCleary, and Commissioner Dick Fosbury; Blaine County Chief Deputy Prosecuting Attorney Tim Graves; County Assessor Jim Williams and Deputy Assessor Melissa Fry; County Appraisers Tammy Robison, Erin Swanson, David Vanderpool, and Alyssa Williams; County Roll Clerk Joanne Freeman; Recording Secretary Sunny Grant; Sun Valley Economic Development Executive Director Harry Griffith; ARCH Community Housing Trust Executive Director Michelle Griffith; Blaine County Housing Authority Executive Director Nathan Harvill; Ketchum Mayor Neil Bradshaw; Sun Valley Board of Realtors Government Affairs Director Bob Crosby; and *Idaho Mountain Express* reporter Mark Dee.

Chairman Greenberg called the meeting to order at 9:30 a.m.

**CONSENT CALENDAR, ACTION ITEM**

- N & H PUB LLC has given Mountain Humane the use of State Liquor License #4290 for a catered event to be held May 2nd, from 5pm until 8pm, located at 101 Croy Creek Road, in Hailey

**McCleary moved, seconded by Fosbury, to approve the Commissioners' Consent Calendar, as read into the record. Motion carried unanimously.**

**63-602NN PROPERTY TAX EXEMPTIONS, ACTION ITEMS**

**Commissioner McCleary was absent from the room during the following motion.**

**Fosbury moved, seconded by Greenberg, that notice was mailed to taxing districts and the Department of Commerce on April 25, 2019, according to the County Clerk. Motion carried 2/0.**

**• Snow Mountain Apartments, 2011 Woodside Blvd, Hailey**

Also present: Applicant Scott Niblack (by phone), Hailey City Administrator Heather Dawson; Hailey City Attorney Christopher Simms; Hailey Community Development Director Lisa Horowitz; Flood Control District #9 Commissioner Dave Bell.

Snow Mountain Apartments in Hailey is 40 units, HUD-supported, to be funded with a low-income tax credit application. Snow Mountain has been in Blaine County for 35 years, with no major upgrades since it was built in 1984. The goal is to purchase the project, upgrade all mechanical systems, roof, interiors, and add any needed health and safety elements to the buildings to bring the entire complex into compliance.

The improvement investment is estimated at \$5.6 million, plus engineering, architecture, environmental testing, and surveys in excess of \$500,000. Niblack said tax credits pay for 60-70% of the project; and, without the third-party funding that this exemption provides, they would not score enough to get the tax credit award.

- Every unit has full HUD Rental Assistance, so tenants pay no more than 30% of their income for rent and utilities. Snow Mountain would remain affordable for 30-40 years.
- The Universal Relocation Act requires current tenants be provided for while their units are being upgraded, including moving and storage expenses if necessary.

Public Comment:

- Dawson said grant applications generally require the applicant show a process to acquire third party funding; not actual securing of the third-party funding.
- Griffith said the applicant would need firm approval from the BCC in anticipation of tax credit application.
- Simms asked if this project was what the BCC had in mind, since it wouldn't provide any new affordable units.
  - *Fosbury said his primary objective in granting this exemption was to stimulate new housing units, but there is benefit to having economic development within the County, and there is benefit to having virtually new rental units with better ADA access, better energy efficiency, etc., provided for low-income populations. He was curious what the increased value of the improved property was if this exemption was granted for one to five years.*
- The next round of tax credit applications is August 2019. If Snow Mountain is awarded tax credits in September, they would do architecture and permitting over the winter and purchase Snow Mountain in spring 2020.

County Assessor Jim Williams said the County cannot apply an exemption for 2019 on a property that is not currently owned by the applicant. County Attorney Graves confirmed that the County Assessor's job is to determine the owner of a property for purposes of tax assessment.

**Fosbury moved, seconded by McCleary, to deny application made by Snow Mountain, Inc. for 2019 property tax exemptions based on the Finding that they do not meet the standard of being a taxpayer. Motion carried unanimously.**

- **KETCH 1, 560 N 1st Ave Ketchum**
- **KETCH 2, 100 E 6th St Ketchum**

Also present: Applicant Ross Kelley by phone.

**McCleary moved, seconded by Fosbury, that notice of this hearing was adequate. Motion carried unanimously.**

Ketch 1 is an 18-unit apartment project (15 market rate units and three units deed restricted for 20 years) currently under construction that will be completed before next spring. The tax exemption for five years would allow them to keep rents affordable. The project owner has an Exceedance Agreement signed by the City of Ketchum and the owner that allows the project an increase in floor area ratio if deed restricted units are provided. Kelley said the excavator has begun work on-site.

The assessor's office said the exemption is not possible for projects whose "project period" has begun. Project period is defined "as physical change to the project site or first employment of new employees or contractors located in Idaho that are related to activities at the project site."

Greenberg said the project only proposed three very small affordable units, which didn't total the \$500,000 minimum investment. He said the BCC had to define what they considered to be "affordable". Fosbury and McCleary supported the 18-unit project as a whole, but agreed that the BCC's resolution wasn't clear about what was "affordable."

**McCleary moved, seconded by Fosbury, to continue this hearing, as well as the hearing for Ketch 2, 100 E 6th St Ketchum, until 9:00 a.m. May 9. Motion carried unanimously.**

- **JACK BARITEAU, 391 N 1st Ave Ketchum**

Also present: Project representative Tim Eagan.

**McCleary moved, seconded by Fosbury, that notice for this hearing was adequate, in compliance with requirements, as stated earlier in this hearing. Motion carried unanimously.**

Greenberg said the development investment was over \$500,000, these are affordable rental units with significant economic benefit to the community, and the building is for non-retail purpose.

Eagan said the Hotel Ketchum Development Agreement with the City of Ketchum requires the hotel to provide 50 workforce housing units. The 35,000sf building construction is estimated at \$17 million.

- Eleven 1BR, and four 2BR units, about 700sf.
- Project architectural plans are started, but there is no groundbreaking yet.
- The first floor is planned to be the Sun Valley Culinary Institute and supporting office space.

**Real Estate Tax Exemption regulations:**

- The exemption can only be granted to the property owner.
- Blaine County Assessor Jim Williams said there is no exemption on land. The BCC can grant the exemption now, but there would be no exemption for 2019.
- Greenberg didn't think the County could offer a tax exemption incentive to a project required by the City of Ketchum Development Agreement.

**McCleary moved, seconded by Fosbury, to continue this hearing to May 9 in the morning. Motion carried unanimously.**

- **DIAMOND SUN APARTMENTS, 231 W 1st St Ketchum**

Also present: Applicant Erik Palm (by phone).

**Fosbury moved, seconded by McCleary, that notice for the Diamond Sun Apartments application for Property Tax Exemption was adequate as determined earlier in this meeting. Motion carried unanimously.**

The project is an older building in Ketchum being repaired, and is under construction.

**Fosbury moved, seconded by McCleary, to deny the application by D&D Diamond Sun LLC, located at 231 W. 1st Street, in Ketchum, for the 2019 Property Tax Exemption under §603-62NN, on the basis that the project is already underway and nearly completed, and therefore not eligible. Motion carried unanimously.**

**ALPINE & ASPEN BUILDINGS, 6 & 8 Horseman's Center Rd Sun Valley**

Also present: Sun Valley Company Controller Kathy Kerrick; Sun Valley Company Chief Tax Officer Terry Whipple; and principal architect Michael Bulls.

**Fosbury moved, seconded by McCleary, that notice for the application by Sun Valley Company for the Alpine and Aspen Buildings, located at 6 and 8 Horseman's Center Road in Sun Valley, is adequate, as previously determined. Motion carried unanimously.**

The applicant submitted a letter of application by April 15. One building is completed, and the other building should be completed soon.

Although they are under construction and therefore not applicable to the property tax exemption, the applicant described the projects.

**Fosbury moved, seconded by McCleary, to deny the application by Sun Valley Company for the Alpine and Aspen Buildings, located at 6 and 8 Horseman’s Center Road, based on the fact that they do not comply with State Code, having already been under construction and nearly completed. Motion carried unanimously.**

**COLD SPRINGS CROSSINGS, 127 Hospital Dr Blaine County**

**McCleary moved, seconded by Fosbury, that notice for this hearing was adequate. Motion carried unanimously.**

Also present: Marc Reinemann.

The project was completed in 2014. The applicant withdrew his application.

**63-602NN Public suggestions:**

- Michelle Griffith and Nathan Harvill supported a consistent model of “affordable.” Griffith said “affordable housing” is a term defined by the State of Idaho and the Federal Government that is widely used with inherent understanding by lenders, municipalities and nationwide organizations. Currently, affordable housing is defined as households at 80% or less of area median income; and rents that do not exceed 30% of income. Affordable housing tenants’ incomes and rents are verified before moving in and monthly thereafter. Each year, HUD produces new allowable rents by income level for each county in America.
- The state property tax exemption is meant to incentivize investment. Any new housing creation is an investment, including market rate units. Idaho is one of 23 states with a housing shortage, and an affordable housing crisis.
- Michelle Griffith and Harvill encouraged incentivizing development of smaller units, which are more affordable by nature. Bradshaw said Ketchum encourages small long-term rental units, market rate and affordable, that rent for less than \$1,000 month.
- Harry Griffith said developing multi-unit long-term rentals is probably the fastest way to get housing for now. Harvill said even higher priced units support the overall supply of housing.
- Harry Griffith suggested the BCC create an application form for the property tax exemption, and provide clear guidelines. He said developers aren’t going to know square footage and rental rates until site engineering has begun.
- Bob Crosby said he’d read State Statute and suggested the BCC had some ability to define “project period”. Crosby said it’s virtually impossible to know what can be done with a piece of property without engaging an architect and someone to do a feasibility study.
- Crosby asked the BCC to consider the economic cost of their suggested criteria, such as a high percentage of affordable units, vs. the absolute value of the property tax exemption.
- Fosbury said job creation is a different criterion; and questioned whether building a building creates long-term jobs. He is focused on creating deed restricted and market rate units. Realistically, contractors are likely to be from out of town.

**ADJOURN**

**At the hour of 12:54 p.m., with no more business before them, the County Commissioners adjourned.**

Attest: \_\_\_\_\_ Approved \_\_\_\_\_  
 JoLynn Drage County Clerk Jacob Greenberg Chairman