

AGENDA ITEM SUMMARY

DATE: 8/8/2011 DEPARTMENT: Legal DEPT. HEAD SIGNATURE: _____

SUBJECT:

Contract for Services (Bellevue Law Enforcement) and Resolution No. 2011-23 approving of the Contract for Services

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

I am enclosing a proposed Contract for Services for Bellevue law enforcement and Resolution No. 2011-23, which authorizes the execution of the Contract for Services.

Ned

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS Case # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____
Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

____ City Attorney	____ Clerk / Finance Director	____ Engineer	____ Building
____ Library	____ Planning	____ Fire Dept.	_____
____ Safety Committee	____ P & Z Commission	____ Police	_____
____ Streets	____ Public Works, Parks	____ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Discuss Contract for Services and if acceptable, make a motion to approve the Contract for Services and Resolution No. 2011-23 and to authorize the mayor to sign.

FOLLOW-UP REMARKS:

**CITY OF HAILEY
RESOLUTION NO. 2011-23**

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF HAILEY
AUTHORIZING THE EXECUTION OF A CONTRACT FOR SERVICES FOR
BELLEVUE LAW ENFORCEMENT SERVICES**

WHEREAS, the City of Bellevue has requested proposals for law enforcement services and has selected the Hailey Police Department to provide law enforcement protection services within the city limits of Bellevue;

WHEREAS, the City of Bellevue and the City of Hailey desire to enter into a contract for services in which Hailey will provide law enforcement protection services within the city limits of Bellevue and which will establish reasonable terms and conditions, and consideration based on the reasonable value of services actually rendered under the contract; and

WHEREAS, the City of Hailey and the City of Bellevue have agreed to the terms and conditions of the Contract for Services, a copy of which is attached hereto.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF HAILEY, IDAHO,** that the City of Hailey approves the attached Contract for Services and that the Mayor is authorized to execute the attached Contract for Services.

Passed this _____ day of August, 2011.

City of Hailey

Richard L. Davis, Mayor

ATTEST:

Mary Cone, City Clerk

CONTRACT FOR SERVICES
(City of Bellevue Law Enforcement)

This Contract for Services ("Contract") is made and entered into this _____ day of July, 2011, by and between the City of Hailey, an Idaho municipal corporation ("Hailey") and the City of Bellevue, Idaho, an Idaho municipal corporation ("Bellevue"). (Hailey and Bellevue are collectively referred to as the "Parties").

RECITALS

A. Bellevue has requested proposals for law enforcement services and has selected the Hailey Police Department to provide law enforcement services within the city limits of Bellevue.

B. Bellevue desires to enter into a contract with Hailey for the performance of law enforcement protection within the corporate limits of Bellevue.

C. The Parties enter into this Contract for the purpose of establishing reasonable terms and conditions, with consideration based on the reasonable value of services actually rendered under the Contract.

D. This Contract is authorized and provided for by the provisions of Idaho Code §§ 50-301 and 67-2332.

E. The Parties have independently determined that it is in their best interest to enter into this Contract, subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, agreements, terms and conditions set forth herein, the Parties covenant and agree as follows:

1. Law Enforcement Services. Hailey shall provide to Bellevue, the law enforcement services set forth below as included services, together with those services set forth in this Agreement.

A. Included Services. Hailey shall provide the following services within the city limits of Bellevue:

1) Reactive patrol to enforce state law and City-adopted municipal ordinances and traffic codes and to respond to residents' and business complaints and calls for service;

2) Proactive patrol to prevent and deter criminal activity;

3) Traffic patrol to enforce applicable traffic codes;

4) Investigation of crimes, infractions, misdemeanors and felonies;

5) Animal control;

6) Crime prevention, community policing, and involvement of Hailey law enforcement personnel in community events;

7) Investigation services by peace officers for felony crimes and misdemeanors. These officers are supported by crime analysis, polygraph, identification, and evidence control;

8) Critical incident operational services; and

9) Administrative services including, without limitation, planning and statistics, subpoena control, training, accounting, payroll, personnel, media relations, fleet control, radio maintenance, purchasing, records, and inspections/internal investigations.

B. Excluded Services. Hailey shall not be required to provide the following services under this Contract:

1) Investigative services for Bellevue for civil matters (e.g., personnel issues).

2) Dispatch services.

3) Record Management System (RMS) services.

4) Misdemeanor prosecutorial services.

C. Method of Service.

1) Hailey shall keep the Bellevue Marshal's Office open at a location designated by Bellevue and Hailey shall staff the office with a full-time Bellevue Marshal, and three (3) additional full-time law enforcement officers everyday during the Initial Term and Extended Term, if any, between 7:00 o'clock a.m. and 3:00 o'clock a.m. on the following day. During the period of time between 3:00 o'clock a.m. and 7:00 o'clock a.m., Hailey will address any emergency law enforcement issue by allowing one or more of its officers to respond. A peace officer shall be appointed as the Bellevue Marshal assigned to Bellevue by Hailey on a full-time basis and shall be approved in advance, along with any replacement, by the Mayor and City Council of Bellevue. Hailey law enforcement officers assigned to work within Bellevue under this Agreement shall be appointed as sworn peace officers of the Marshal's office and shall wear Bellevue uniforms. To provide 24 hour coverage as described herein, all Hailey law enforcement officers shall be appointed as sworn peace officers.

2) All Hailey employees assigned to work within Bellevue shall be issued a Bellevue citation book and shall issue Bellevue citations for all traffic and misdemeanor offenses occurring within Bellevue. All revenue received from citations issued and other revenues received within Bellevue shall be the sole property of Bellevue. Other funds received or property forfeited as a result of crimes or infractions occurring within Bellevue, which would become the sole property of Bellevue if Bellevue had its own independent Marshal's office, shall be the sole property of Bellevue unless such funds or forfeited property resulted from an interagency task force, including but not limited to, the Narcotics Enforcement Team.

3) Positions shall be assigned to Bellevue and shall be dedicated to

work within the city limits of Bellevue, subject to responses to assist another jurisdiction in case of emergency.

4) Hailey shall exercise its best efforts to insure that the number of such positions assigned to Bellevue remain constant. Bellevue recognizes that the officers assigned to Bellevue may be unavailable at times due to staffing shortages, training, vacation, sick leave, or other leave. Notwithstanding an officer's absence, calls for service in Bellevue will be responded to by appropriate Hailey personnel. The transfer of personnel will be coordinated by Hailey, in consultation with the Mayor or designee, to minimize the impact of potential vacancies.

5) Except as set forth in this Agreement, support and administrative services shall be provided to the City at the level, degree and type as provided by Hailey in Hailey.

6) All Hailey law enforcement personnel operating within Bellevue under this Agreement shall be adequately trained and supervised by Hailey.

7) Certain vehicles operating in Bellevue under this Agreement shall have graphics with Bellevue identification. These vehicles shall be operated by Hailey employees assigned to work primarily within the City of Bellevue. Any changes in graphics will be done in consultation with the Mayor.

D. Special Provisions.

1) Hailey shall be responsible for the repair and preventive maintenance of all equipment, software, and accessories that are used in conjunction with the mobile computing program.

2) Hailey shall be responsible for the payment of salary and benefits for personnel providing the services hereunder consistent with Hailey's personnel and compensation programs, along with any associated clothing allowance, supplies, services, telephone, motor pool, systems services, insurance, equipment and associated administrative costs. Hailey/Bellevue shall be responsible for the costs of maintenance and operation (e.g., fuel) of the Bellevue police vehicles up to \$12,000 per year for such costs of maintenance and operation.

3) The Hailey Chief of Police and Bellevue Marshal shall consult with the Mayor and City Council of Bellevue prior to any significant changes in law enforcement and will consult with the Mayor and City Council of Bellevue with regard to law enforcement issues, including long-range law enforcement planning, within Bellevue.

4) The Bellevue Mayor shall have direct access to the Hailey Chief of Police on any matter relating to this Agreement and law enforcement generally within Bellevue.

5) At the request of Bellevue, Hailey will review and comment upon law enforcement impact and needs relative to subdivisions, annexations and other development proposals submitted to Bellevue.

6) The Hailey Chief of Police and the Bellevue Marshal shall meet with the Mayor and City Council of Bellevue during the City's annual budgeting process to consult on the law enforcement needs of Bellevue for the upcoming fiscal year and any

renegotiation of this Contract and to assess equipment needs for providing services under this Contract.

7) This Contract does not supersede any joint powers agreement or mutual aid agreement entered into by the Parties.

2. Term. This Contract is effective commencing at 12:01 o'clock a.m. on October 1, 2011, and continuing until midnight September 30, 2012 ("Initial Term"). The term of this Contract shall be automatically extended by the parties for one (1) additional one (1) year term after the Initial Term ("Extended Term") under the same terms and conditions of this Contract unless either Party provides written notification of its intent to allow the expiration of the Contract more than thirty (30) days before the expiration of the Initial Term.

3. Consideration. Bellevue shall pay Hailey for the services provided in paragraph 1 under this Contract the sum total of Three Hundred Twelve Thousand Eight Hundred Eighteen and 80/100's Dollars (\$312,818.80), which shall be paid in twelve (12) equal monthly installments of Twenty Six Thousand Sixty Eight and 23/100's Dollars (\$26,068.23) per month beginning on or before October 10, 2011 and on or before the tenth day of each month thereafter during the Initial Term or Extended Term, if any. In the event Bellevue fails to make a monthly payment within fifteen (15) days of the payment due date as provided herein, Bellevue shall be responsible for paying the delinquent amount and an additional payment equal to the current rate of return for the State of Idaho Local Government Investment Pool on the delinquent amount for the entire period of the delinquency.

4. Additional Services: Bellevue may request services for special events from the Bellevue Marshal that are in addition to the services set forth in Paragraph 1(A) of this Contract and shall give the Bellevue Marshal and Hailey reasonable notice of such a request. When such a request is made, the Bellevue Marshal and Hailey will not unreasonably withhold their approval of such additional services. Bellevue agrees to pay for any mutually agreed overtime, salary, special pay, benefits, equipment, supply or any other costs relating to or resulting from the provision of services for the requested additional service.

5. Reporting.

A. Data Collection. Hailey shall maintain accurate data collection on law enforcement services and criminal activity within the city limits of Bellevue.

B. Notification of Criminal Activity: As soon as practicable, Hailey will notify the Bellevue Mayor in the event of a significant criminal occurrence within Bellevue.

C. Monthly Reports: Hailey will report monthly on law enforcement activities, traffic incidents and criminal activity within Bellevue. The Bellevue Marshal or designee will attend all regular meetings of the Bellevue City Council and any special council meeting called with regard to law enforcement issues at which the Marshal's attendance is requested. The Bellevue Marshal or designee shall also attend all city management team meetings as appropriate.

6. Independent Contractor; Personnel and Equipment. The Parties agree that Hailey is acting hereunder as an independent contractor for Bellevue and that Bellevue releases any right of control over the method, manner or means by which Hailey performs its duties and responsibilities hereunder. Consistent with the independent contractor status, 1) control of personnel, standards of performance, discipline and all other aspects of performance shall be

governed entirely by Hailey (allegations of misconduct shall be investigated in accordance with Hailey protocol); 2) all persons rendering service hereunder shall be Hailey employees employed by Hailey; 3) all liabilities for salaries, wages, any other compensation, employee injury or sickness, and employee complaints arising from services by Hailey hereunder shall be the responsibility of Hailey; 4) Hailey shall furnish personnel, equipment, materials, supplies and such resources and material in accordance with this Contract and as necessary to provide the level of law enforcement service herein described; and 5) ownership of equipment purchased by Hailey shall be retained by Hailey.

7. Bellevue Owned Property, and Evidence

A. Property. Bellevue currently owns certain vehicles, equipment and other property ("Bellevue Property") which Hailey will use in the performance of this Contract. Any new equipment and other property paid for by Bellevue as a specific capital acquisition line item in the annual budget paid for by Bellevue shall be the property of Bellevue. Bellevue shall provide Hailey with a written inventory list of the Bellevue Property. Upon the expiration or termination of this Contract, all property owned by Bellevue shall be returned to the possession of Bellevue. Hailey shall update the written Inventory List of all Bellevue property. Bellevue shall maintain insurance on the Bellevue Property.

B. Evidence. Hailey shall maintain a written inventory list of all evidence that is taken in on behalf of Bellevue for the purposes of carrying out this Contract, which inventory list of Bellevue evidence shall remain in the possession and control of Hailey. The transfer of the chain of custody of evidence shall be under the direction of the Hailey in accordance with law. Hailey shall control and dispose of all evidence acquired under the terms of this Contract in accordance with law.

8. CityBellevue Responsibilities.

A. Municipal Police Authority: Bellevue hereby confers municipal police authority on Hailey and the Hailey Police Department and its officers to enforce city and state laws within the city limits of Bellevue for the purpose of carrying out this Contract.

B. Special Supplies: Except as otherwise expressly provided for herein, Bellevue will supply at its own cost and expense any special supplies, stationery, notices, forms, and the like where such must be issued in the name of Bellevue.

C. Bellevue Building and Grounds: Bellevue will pay all of the utilities and casualty insurance on building housing the Bellevue Marshal's Office, and maintain the structural components of the building in a good state of condition and repair.

D. Bellevue Vehicles. Bellevue shall provide Hailey the use of its two (2) police vehicles to provide the law enforcement services described in this Contract. Bellevue shall be responsible for the costs of maintenance and operation (e.g., fuel) of the Bellevue police vehicles if the cost of such maintenance and operation exceeds \$12,000 per year.

9. Termination Process. Each party may initiate a process to terminate this Contract as follows:

A. Notice of Termination: In the event either Party hereto desires to terminate this Contract prior to the expiration date, such Party may do so by giving 120 days advance written notice to the other Party.

B. Transition Plan: Within 30 days of the receipt of such written termination notice, the Parties shall commence work on and complete a mutually agreed-upon transition plan providing for an orderly transition of responsibilities from Hailey to Bellevue. The planning method should proceed along the lines of a project management approach to facilitate the joint planning process by Bellevue and Hailey. The overarching goal of the transition plan will be to ensure there is no disruption in service to the community. Each party shall bear its respective costs in developing the transition plan.

10. Indemnification.

A. Bellevue To Hold Hailey Harmless: Bellevue, its officers, agents, and employees, shall not be deemed to have assumed any liability for the acts of Hailey or any officers, agents or employees thereof, and Bellevue hereby covenants and agrees to hold and save Hailey and all of its officers, agents, and employees harmless from all claims whatsoever that might arise against Hailey, its officers, agents, or employees, by reasons of any acts or failures to act on the part of Bellevue, its officers, agents or employees.

B. Hailey to Hold Bellevue Harmless: Hailey hereby covenants to hold and save Bellevue and all its officers, agents, and employees, harmless from all claims whatsoever that might arise against Bellevue, its officers, agents, or employees by reason of any acts or failures to act on the part of Hailey, its officers, agents, or employees in the performance of the duties required by the terms of this Agreement. As described in Paragraph 6 of this Contract, the Bellevue Marshal and his staff are considered employees of Hailey and the Hailey Police Department for purposes of this Contract.

C. Liability Related to City Ordinances, Policies, Rules and Regulations: In executing this Contract, Hailey and the Hailey Police Department do not assume liability or responsibility for or in any way release Bellevue from any liability or responsibility which arises in whole or in part from the existence or effect of Bellevue ordinances, policies, rules or regulations. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such Bellevue ordinance, policy, rule or regulation is at issue, Bellevue shall defend the same at its sole expense and, if judgment is entered or damages are awarded against Bellevue, Hailey, the Hailey Police Department, or any combination of these entities, Bellevue shall satisfy the same, including all chargeable costs and reasonable attorney's fees.

11. Audits and Inspections. The records and documents with respect to all matters covered by this Contract shall be subject to inspection, review or audit by Hailey or Bellevue during the term of this Contract and three (3) years after expiration or termination, as the case may be, unless such records are exempt from disclosure under the Idaho Public Records Laws, or other applicable law.

12. Contract Administration.

A. Contract Administrators: The Bellevue Mayor or his/her designee and the Bellevue Marshal shall serve as contract administrators to review contract performance and resolve operational problems or issues hereunder or with regard to law enforcement within Bellevue.

B. Referral of Unresolved Problems: The Bellevue Mayor shall refer any

police service operational problem, which cannot be resolved with the Bellevue Marshal to the Hailey Chief of Police. The Chief of Police and Bellevue Mayor shall meet as necessary to resolve such issues.

13. General Provisions.

A. Police Powers. Nothing contained herein is intended to limit the police powers or other powers of Hailey or Bellevue. This Contract shall not be construed to modify or waive any law, ordinance, rule, or regulations of Bellevue or Hailey, or any subsequent amendment thereof.

B. Amendment. This Contract may be revised, amended, or canceled in whole or in part, only by means of a written instrument executed by the Parties hereto.

C. Assignment. Neither this Contract nor any portion thereof may be assigned by any party hereto without the prior written consent of the other Party.

D. Default. In the event either Party, its successor and assign, fail to faithfully comply with all the terms and conditions included in this Contract, it shall be in breach of this Contract. In addition to all other remedies at law or in equity, this Contract shall be enforceable by specific performance by either party hereto. All remedies shall be cumulative.

E. Notices: Any and all notices, demands, requests, and other communications required to be given hereunder by either of the Parties hereto shall be in writing and be deemed properly served or delivered, if delivered by hand to the party to whose attention it is directed, or when sent, three (3) days after deposit in the U.S. mail, postage prepaid, or upon the sending of a facsimile, followed by a copy sent by U.S. mail as provided herein, addressed as follows:

To Bellevue: City of Bellevue, Idaho
c/o City Clerk
P.O. Box 825
Bellevue, ID 83313

To Hailey: City of Hailey
115 Main Street So.
Hailey, Idaho 83333

or at such other address, or facsimile number, or to such other party which any party entitled to receive notice hereunder designates to the other in writing as provided above.

F. Attorney Fees: In the event either party hereto is required to retain counsel to enforce a provision of this Contract, or to recover damages resulting from a breach hereof, the prevailing party shall be entitled to recover from the other party all reasonable costs and attorney's fees incurred, including without limitation on appeal.

G. Entire Agreement/Waiver of Default: The Parties agree that this Contract is the complete expression of the terms hereto and any oral or written representations or understandings not incorporated herein are excluded. The Parties recognize that time is of the essence in the performance of the provisions of this Contract. Waiver or breach of any provision of the Contract shall not be deemed to be waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract.

H. Partial Invalidity: In the event any portion of this Contract shall be determined by any court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions of this Contract, or parts hereof, shall remain in full force and effect.

I. Captions: The captions of this Contract are inserted only for the purpose of convenience and in no way define, limit or prescribe the scope or intent of this Contract or any part hereof.

J. No Presumptions: No presumption shall exist in favor or against any party to this Contract as a result of the drafting and/or preparation of this Contract.

K. Recitals Incorporated: The recitals set forth in this Contract are hereby incorporated herein by reference.

L. No Third Party Beneficiaries. This Contract is not intended, nor shall it be deemed or construed, to create or confer any rights upon third parties.

IN WITNESS WHEREOF, the parties have executed this Contract for Services effective on the date and year set forth herein.

CITY OF BELLEVUE, IDAHO

By: _____
Chris Koch, Mayor

ATTEST:

Dee Barton, Bellevue City Clerk

CITY OF HAILEY

By _____
Richard L. Davis, Mayor

ATTEST:

Mary Cone, City Clerk

CONTRACT FOR SERVICES
(City of Bellevue Law Enforcement)

This Contract for Services ("Contract") is made and entered into this _____ day of July, 2011, by and between the City of Hailey, an Idaho municipal corporation ("Hailey") and the City of Bellevue, Idaho, an Idaho municipal corporation ("Bellevue"). (Hailey and Bellevue are collectively referred to as the "Parties").

RECITALS

A. Bellevue has requested proposals for law enforcement services and has selected the Hailey Police Department to provide law enforcement services within the city limits of Bellevue.

B. Bellevue desires to enter into a contract with Hailey for the performance of law enforcement protection within the corporate limits of Bellevue.

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3. Consideration. Bellevue shall pay Hailey for the services provided in paragraph 1 under this Contract the sum total of Three Hundred Twelve Thousand Eight Hundred Eighteen and 80/100's Dollars (\$312,818.80), which shall be paid in twelve (12) equal monthly installments of Twenty Six Thousand Sixty Eight and 23/100's Dollars (\$26,068.23) per month beginning on or before October 10, 2011 and on or before the tenth day of each month thereafter during the Initial Term or Extended Term, if any. In the event Bellevue fails to make a monthly payment within fifteen (15) days of the payment due date as provided herein, Bellevue shall be responsible for paying the delinquent amount and an additional payment equal to the current rate of return for the State of Idaho Local Government Investment Pool on the delinquent amount for the entire period of the delinquency.

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5. Reporting.

A. Data Collection. Hailey shall maintain accurate data collection on law enforcement services and criminal activity within the city limits of Bellevue.

B. Notification of Criminal Activity: As soon as practicable, Hailey will notify the Bellevue Mayor in the event of a significant criminal occurrence within Bellevue.

C. Monthly Reports: Hailey will report monthly on law enforcement activities, traffic incidents and criminal activity within Bellevue. The Bellevue Marshal or designee will attend all regular meetings of the Bellevue City Council and any special council meeting called with regard to law enforcement issues at which the Marshal's attendance is requested. The Bellevue Marshal or designee shall also attend all city management team meetings as appropriate.

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A. Municipal Police Authority: Bellevue hereby confers municipal police authority on Hailey and the Hailey Police Department and its officers to enforce city and state laws within the city limits of Bellevue for the purpose of carrying out this Contract.

B. Special Supplies: Except as otherwise expressly provided for herein, Bellevue will supply at its own cost and expense any special supplies, stationery, notices, forms, and the like where such must be issued in the name of Bellevue.

C. Bellevue Building and Grounds: Bellevue will pay all of the utilities and casualty insurance on building housing the Bellevue Marshal's Office, and maintain the structural components of the building in a good state of condition and repair.

D. Bellevue Vehicles. Bellevue shall provide Hailey the use of its two (2) police vehicles to provide the law enforcement services described in this Contract. Bellevue shall be responsible for the costs of maintenance and operation (e.g., fuel) of the Bellevue police vehicles if the cost of such maintenance and operation exceeds \$12,000 per year.

9. Termination Process. Each party may initiate a process to terminate this Contract as follows:

A. Notice of Termination: In the event either Party hereto desires to terminate this Contract prior to the expiration date, such Party may do so by giving 120 days advance written notice to the other Party.

B. Transition Plan: Within 30 days of the receipt of such written termination notice, the Parties shall commence work on and complete a mutually agreed-upon transition plan

providing for an orderly transition of responsibilities from Hailey to Bellevue. The planning method should proceed along the lines of a project management approach to facilitate the joint planning process by Bellevue and Hailey. The overarching goal of the transition plan will be to ensure there is no disruption in service to the community. Each party shall bear its respective costs in developing the transition plan.

10. Indemnification.

A. Bellevue To Hold Hailey Harmless: Bellevue, its officers, agents, and employees, shall not be deemed to have assumed any liability for the acts of Hailey or any officers, agents or employees thereof, and Bellevue hereby covenants and agrees to hold and save Hailey and all of its officers, agents, and employees harmless from all claims whatsoever that might arise against Hailey, its officers, agents, or employees, by reasons of any acts or failures to act on the part of Bellevue, its officers, agents or employees.

B. Hailey to Hold Bellevue Harmless: Hailey hereby covenants to hold and save Bellevue and all its officers, agents, and employees, harmless from all claims whatsoever that might arise against Bellevue, its officers, agents, or employees by reason of any acts or failures to act on the part of Hailey, its officers, agents, or employees in the performance of the duties required by the terms of this Agreement. As described in Paragraph 6 of this Contract, the Bellevue Marshal and his staff are considered employees of Hailey and the Hailey Police Department for purposes of this Contract.

C. Liability Related to City Ordinances, Policies, Rules and Regulations: In executing this Contract, Hailey and the Hailey Police Department do not assume liability or responsibility for or in any way release Bellevue from any liability or responsibility which arises in whole or in part from the existence or effect of Bellevue ordinances, policies, rules or regulations. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such Bellevue ordinance, policy, rule or regulation is at issue, Bellevue shall defend the same at its sole expense and, if judgment is entered or damages are awarded against Bellevue, Hailey, the Hailey Police Department, or any combination of these entities, Bellevue shall satisfy the same, including all chargeable costs and reasonable attorney's fees.

11. Audits and Inspections. The records and documents with respect to all matters covered by this Contract shall be subject to inspection, review or audit by Hailey or Bellevue during the term of this Contract and three (3) years after expiration or termination, as the case may be, unless such records are exempt from disclosure under the Idaho Public Records Laws, or other applicable law.

12. Contract Administration.

A. Contract Administrators: The Bellevue Mayor or his/her designee and the Bellevue Marshal shall serve as contract administrators to review contract performance and resolve operational problems or issues hereunder or with regard to law enforcement within Bellevue.

B. Referral of Unresolved Problems: The Bellevue Mayor shall refer any police service operational problem, which cannot be resolved with the Bellevue Marshal to the Hailey Chief of Police. The Chief of Police and Bellevue Mayor shall meet as necessary to resolve such issues.

13. General Provisions.

A. Police Powers. Nothing contained herein is intended to limit the police powers or other powers of Hailey or Bellevue. This Contract shall not be construed to modify or waive any law, ordinance, rule, or regulations of Bellevue or Hailey, or any subsequent amendment thereof.

B. Amendment. This Contract may be revised, amended, or canceled in whole or in part, only by means of a written instrument executed by the Parties hereto.

C. Assignment. Neither this Contract nor any portion thereof may be assigned by any party hereto without the prior written consent of the other Party.

D. Default. In the event either Party, its successor and assign, fail to faithfully comply with all the terms and conditions included in this Contract, it shall be in breach of this Contract. In addition to all other remedies at law or in equity, this Contract shall be enforceable by specific performance by either party hereto. All remedies shall be cumulative.

E. Notices: Any and all notices, demands, requests, and other communications required to be given hereunder by either of the Parties hereto shall be in writing and be deemed properly served or delivered, if delivered by hand to the party to whose attention it is directed, or when sent, three (3) days after deposit in the U.S. mail, postage prepaid, or upon the sending of a facsimile, followed by a copy sent by U.S. mail as provided herein, addressed as follows:

To Bellevue: City of Bellevue, Idaho
c/o City Clerk
P.O. Box 825
Bellevue, ID 83313

To Hailey: City of Hailey
115 Main Street So.
Hailey, Idaho 83333

or at such other address, or facsimile number, or to such other party which any party entitled to receive notice hereunder designates to the other in writing as provided above.

F. Attorney Fees: In the event either party hereto is required to retain counsel to enforce a provision of this Contract, or to recover damages resulting from a breach hereof, the prevailing party shall be entitled to recover from the other party all reasonable costs and attorney's fees incurred, including without limitation on appeal.

G. Entire Agreement/Waiver of Default: The Parties agree that this Contract is the complete expression of the terms hereto and any oral or written representations or understandings not incorporated herein are excluded. The Parties recognize that time is of the essence in the performance of the provisions of this Contract. Waiver or breach of any provision of the Contract shall not be deemed to be waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract.

H. Partial Invalidity: In the event any portion of this Contract shall be determined by any court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions of this Contract, or parts hereof, shall remain in full

force and effect.

I. Captions: The captions of this Contract are inserted only for the purpose of convenience and in no way define, limit or prescribe the scope or intent of this Contract or any part hereof.

J. No Presumptions: No presumption shall exist in favor or against any party to this Contract as a result of the drafting and/or preparation of this Contract.

K. Recitals Incorporated: The recitals set forth in this Contract are hereby incorporated herein by reference.

L. No Third Party Beneficiaries. This Contract is not intended, nor shall it be deemed or construed, to create or confer any rights upon third parties.

IN WITNESS WHEREOF, the parties have executed this Contract for Services effective on the date and year set forth herein.

CITY OF BELLEVUE, IDAHO

By: _____
Chris Koch, Mayor

ATTEST:

Dee Barton, City Clerk

CITY OF HAILEY

By: _____
Richard L. Davis, Mayor

ATTEST:

Mary Cone, City Clerk

AGENDA ITEM SUMMARY

DATE: 08/08/2011 **DEPARTMENT:** Administration **DEPT. HEAD SIGNATURE:** HD

SUBJECT: City Council approval of Extension of Amended Joint Powers Agreement – Mountain Rides Transportation Authority

AUTHORITY: ID Code 50-322 and 67-2328 IAR _____ City Ordinance/Code _____

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The Mountain Rides Joint Powers Agreement expires in October and must be extended by the members of JPA before October. The Mountain Rides board of directors has approved the extension document (attached) and has requested that I forward to all of the JPA members for approval. I am requesting that the City of Hailey put this on a council agenda for approval no later than August 31, 2011, in order to give Mountain Rides enough time to compile all the signatures and file the document. Please note that there are no changes to the JPA adopted in 2007. We are extending the JPA in its current form for four years, the same term as the current JPA.

Also attached is the current JPA (Exhibit 1 to the Extension document) and the original asset list (Exhibit A to the Extension document). If you have any questions about the documents or the process, please let me know.

Thanks, Jason Miller

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Fiscal expectations and burdens have been carefully omitted from entities (other than Ketchum, Sun Valley, and Blaine County) as a portion of being party to the agreement. Although the agreement addresses the manner of financing the authority, no obligation is placed upon Hailey for monetary contributions.

Any Party may withdraw from the agreement upon 1 year's written notice, submitted in August. That month was chosen so that MRTA would be able to anticipate its potential dissolution and be able to expend its budget prior to that dissolution. Hailey's withdrawal from the Agreement would NOT cause MRTA to dissolve.

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	_____
___ Safety Committee	___ P & Z Commission	___ Police	_____
___ Streets	___ Public Works, Parks	___ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

The Agreement can be amended if a majority of the Parties agree, and are brought before each jurisdiction for adoption. This Extension entails no amendments. We recommend extension of the agreement, as this regional cooperative effort brings significant benefits to partnering jurisdictions.

FOLLOW UP

CITY OF HAILEY RESOLUTION 2011-24

EXTENSION OF AMENDED AGREEMENT OF THE KETCHUM-SUN VALLEY PUBLIC TRANSIT AUTHORITY (RENAMED IN 2007 TO "MOUNTAIN RIDES TRANSPORTATION AUTHORITY") TO PROVIDE MULTIMODAL PUBLIC TRANSPORTATION SERVICES IN BLAINE COUNTY

WHEREAS on October 8, 2007 the undersigned governmental entities agreed to and caused to be recorded with the Blaine County Recorder that certain agreement known as the Amended Agreement of the Ketchum-Sun Valley Public Transit Authority to Provide Multimodal Public Transportation Services in Blaine County ("Joint Powers Agreement"), recorded on November 1, 2007 as Instrument no. 552903 in Blaine County, Idaho; and

WHEREAS the undersigned governmental agencies desire to extent the Joint Powers Agreement as set forth below,

NOW THEREFORE, the undersigned governmental agencies agree as follows:

1. The Joint Powers Agreement, attached hereto as Exhibit 1 and incorporated by reference is hereby extended for four (4) years, until October 7, 2015.
2. Except as so changed herein, all provisions of the Joint Powers Agreement shall remain in full force and effect.

(seal)

City of Sun Valley

By: _____

Its: Mayor

Date: _____

Attest: _____

City Clerk

(seal)

City of Ketchum

By: _____

Its: Mayor

Date: _____

Attest: _____

City Clerk

(seal)

City of Hailey

By: _____
Its: Mayor
Date: _____

Attest: _____
City Clerk

(seal)

City of Bellevue

By: _____
Its: Mayor
Date: _____

Attest: _____
City Clerk

(seal)

Blaine County Commissioners:

By: _____

Date: _____

By: _____

Date: _____

By: _____

Date: _____

Attest: _____
Its: _____

(seal)

City of Carey

By: _____
Its: Mayor
Date: _____

Attest: _____
City Clerk

ORIGINAL

AMENDED AGREEMENT OF
THE KETCHUM-SUN VALLEY PUBLIC TRANSIT AUTHORITY TO PROVIDE
MULTIMODAL PUBLIC TRANSPORTATION SERVICES IN BLAINE COUNTY

Revised October 1, 2007

This Agreement ("Agreement"), made and entered into in OCT. 8th 2007, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), the CITY OF BELLEVUE, a charter city ("Bellevue"), the CITY OF CAREY, a municipal corporation ("Carey") and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties";

WITNESSETH:

WHEREAS, on June 5, 1989 the Cities of Ketchum and Sun Valley entered into an agreement for the formation of the Ketchum-Sun Valley Public Transit Authority ("Authority") and have since that commencing date jointly funded and operated a public transportation system commonly known as KART within and between the two municipalities through the Authority; and

WHEREAS, since June 2002, Ketchum, Sun Valley and Blaine County have participated in the funding of the PEAK Bus, a regional public transportation service along Idaho State Highway 75 between Bellevue and Ketchum and Sun Valley operated by Wood River Rideshare, a 501c3 non profit corporation; and

WHEREAS, on December 11, 2003, Ketchum and Sun Valley entered into an agreement extending the Ketchum-Sun Valley Public Transit Authority Agreement of June 5, 1989 to (1) ensure the June 5, 1989 Agreement remained in full force and effect, (2) set the term of commitment by Ketchum and Sun Valley to December 31, 2006; and 3) allow for renegotiation or dissolution of the Ketchum-Sun Valley Public Transit Authority Agreement in the event of the formation of a Regional Transportation authority or similar agency; and

WHEREAS, in August 2005, Blaine County became the sole manager of the PEAK Bus service and solicited and received funding assistance from Ketchum, Sun Valley and Bellevue for fiscal year 2005-06; and

WHEREAS, on January 31, 2006, Ketchum, Sun Valley, Bellevue and Blaine County entered into an agreement (known as the "Amended Agreement of the Ketchum-Sun Valley Public Transit Authority") to operate the KART services in Ketchum and Sun Valley and the Highway 75 services from Bellevue to Ketchum; and

WHEREAS, in May 2006, the Ketchum-Sun Valley Public Transit Authority became the sole manager of the PEAK Bus service and solicited and received funding assistance from Ketchum, Sun Valley, Bellevue and Blaine County for fiscal year 2006-07; and

WHEREAS, on February 21, 2007 The Authority adopted a Vision, Mission and Goals Statement to reflect its broader role as the primary multimodal public transportation agency within Blaine County and outside of Blaine County to counties with commuters traveling to Blaine County;

Instrument # 552903

HAILEY, BLAINE, IDAHO

2007-11-01

11:39:30 No. of Pages: 8

Recorded for : BLAINE COUNTY COMMISSIONERS

JOLYNN DRAGE

Fee: 0.00

Ex-Officio Recorder Deputy

VISION (the big picture): To be the sustainable transportation backbone of Blaine County and adjacent communities

MISSION (what we do): Manage transportation demand by providing access and mobility to those who live, work, or visit Blaine County with service alternatives to the single occupancy vehicle that are environmentally sustainable, energy efficient, attractive, safe, convenient, reliable, and cost-effective.

GOALS (how we succeed):

- Provide attractive and easy to use multimodal transportation services at fair and equitable costs to users and tax payers
- Reduce Blaine County's transportation generated pollution and its "carbon footprint"
- Promote land-use policies in Blaine County that facilitate multimodal transportation

and

WHEREAS, in August 2007, Wood River Rideshare merged with KART allowing the Authority to expand its services to all of those operated by Wood River Rideshare, to include vans, carpools, bicycles, walking, transportation information, counseling and advice and other multimodal public transportation services operating within Blaine County and outside of Blaine County to counties with commuters traveling to Blaine County;

WHEREAS, the Parties have adopted comprehensive plans, transportation plans and/or governing board policies identifying the goals, policies and/or action items to support county-wide transportation planning which includes multimodal public transportation services to meet the resident, visitor and commuter needs through regional transportation planning; and

WHEREAS, the public transportation demands for residents, visitors and workers commuting to employment centers in the region are increasing and it is the desire of the Parties to provide for efficient and responsive multimodal public transportation services which are easily identifiable, are coordinated in a manner to encourage the ease of ridership with incentives such as a variety of high quality services, park and ride lots, and high occupancy vehicle lanes, in order to reduce the congestion, costs and pollution caused in part, by individual vehicular trips within Blaine County; and

WHEREAS, the City parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code, Section 50-322, to purchase, lease, or otherwise procure multimodal public transportation systems, and to provide by general ordinance for the regulations governing the maintenance and operation of the same; and,

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code, Section 67-2328, to maintain an Authority Board to procure, establish, operate, maintain and plan for a multimodal public transportation system in and between the corporate limits of Sun Valley, Ketchum, Hailey, Bellevue, and Carey and within Blaine County and outside of Blaine County to counties with commuters traveling to Blaine County; and,

WHEREAS, it is the mutual desire of the Parties hereto that there are no disruptions to public transportation services as the mutual terms, covenant and conditions of this Agreement are implemented including that the current level of services historically provided by KART for the residents and visitors of Ketchum and Sun Valley and the services to Wood River Valley that were provided by the PEAK Bus are maintained.

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual terms, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. Corporate Name.

Authority shall be renamed the "Mountain Rides Transportation Authority" which replaces the previous name: "Ketchum-Sun Valley Public Transit Authority" (or "KART").

2. Transportation Authority Membership.

The governing Board of the Authority shall be configured as defined below:

- A. Subject to sub-paragraph E below, two (2) members from the City of Ketchum and two (2) members from the City of Sun Valley shall be appointed by the Mayors of Ketchum and Sun Valley with the concurrence of the City Council of each city.
- B. Subject to sub-paragraph E below, one (1) member each to be appointed by the Mayors of Hailey, Bellevue and Carey, with the concurrence of the City Council of each such City.
- C. Subject to sub-paragraph E below, one (1) member from Blaine County to be appointed by the Board of County Commissioners.
- D. One "Member-at-Large" who is a routine user of the multimodal services of the Mountain Rides Transportation Authority shall be appointed by the Board of the Authority. The Board shall consult with and accept advice as to this appointment from Wood River Rideshare (or its successor), a 501c3 non profit corporation.
- E. Parties will join and become voting members of the Board upon execution of this Agreement by its respective governing body.
- F. The Mayors, Council Members, Commissioners and employees of the Parties hereto shall not be excluded from membership on the Authority by virtue of their relationship with the Cities and County involved.
- G. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Authority has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Authority. Members of the Authority shall be appointed without respect to political affiliation or religious denomination, and shall serve without compensation. Any person may be eligible for appointment

3. Term of Office

The term of office on said Authority shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Ketchum for three (3) years
- 1 member from Sun Valley for one (1) year
- 1 member from Sun Valley for three (3) years
- 1 member from Blaine County for two (2) years
- 1 member from Hailey for two (2) years
- 1 member from Bellevue for one (1) year
- 1 member from Carey for three (3) years

Subsequent appointments shall be for three (3) years and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms, shall be filled for the remainder of the term by the Party that appointed the board member.

4. Organization.

The Authority shall be governed by the Mountain Rides Transportation Authority By-laws specifying the method and manner by which it shall conduct its business and affairs, provided, however, that said By-laws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Authority to act.

5. Purposes and Powers

The purpose of the Authority is to establish, implement, maintain, fund and operate a comprehensive multimodal public transportation system by motor buses, fixed guideway systems, van and car pools, bicycles, amenities for walking or other appropriate means, including transportation counseling and advice for scheduled or unscheduled and charter services within Blaine County and outside of Blaine County to counties with commuters traveling to Blaine County for the benefit of commuters and the inhabitants and visitors to Blaine County. In furtherance of that purpose, the Parties hereto hereby delegate to the Authority their power to purchase, lease, or otherwise procure multimodal transportation systems, and to promulgate regulations governing the maintenance and operation of the same. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. As a separate legal entity under state and federal statutes, to apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, real or personal property necessary for the establishment, operation and maintenance of a multimodal public transportation system including but not limited to land and easement acquisitions, facilities, employee housing and rolling stock;

- C. To fund operational and maintenance costs of operating a comprehensive multimodal public transportation system;
- D. To contract with public or private agencies, companies or entities for the provision of multimodal public transportation services or for expansion of multimodal public transportation services in the Authority's service area;
- E. To undertake or contract for studies relating to the multimodal public transportation needs of the Parties and the methods by which said needs can best be served;
- F. To participate in, contribute to and support the regional transportation plans, as from time to time may be proposed, adopted and amended.

6. Manner of Financing.

The Authority shall annually adopt a budget. Each Party hereto will annually budget and contribute to the Authority an amount of money necessary to operate and maintain a comprehensive multimodal public transportation system. During each fiscal year, the Parties shall contribute their respective amount of money as determined by the adopted budget, subject to approval of each Party's governing board. Upon approval of the Board, a Party may contribute its share of the budget through in-kind services, equipment, personal or real property or leases.

- A. In adopting the annual budget, it is anticipated that Ketchum and Sun Valley will continue, as a base, the fiscal year 2005-2006 level of financial support which has historically been provided through their respective local option tax ("LOT") revenue for KART and the PEAK Bus. Further, it is anticipated that the County will continue its financial support for the multimodal public transportation services operated by the Authority in and beyond the County.
- B. Any Party may contribute additional funds to the Authority. Said additional funds shall be deemed as contribution not subject to matching from any other Party and shall be calculated for division of property upon termination of the Authority under Paragraph 8 herein below, if such contribution(s) were for capital acquisitions.
- C. Any funds received by the Authority shall be used for the purpose of maintaining the Authority and planning for, establishing, acquiring, operating or maintaining a multimodal public transportation system, or for paying costs associated with a contract whereby multimodal public transportation services are provided by others. The budgeting, allocation and use of said funds by the Authority shall be in accordance with the purposes and powers herein provided for, and in no event shall the Authority use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Authority by the Parties.

7. Duration.

The duration of the Authority created by this Agreement shall be for a period of four (4) years, provided, however, that the same may be extended for an additional period or periods of time, as

the Parties hereto deem appropriate. Any such extension of this Authority shall be in writing, adopted by the governing body of each of the Parties hereto.

Any Party may withdraw from the Authority upon one (1) year's written notice. Such notice to be effective shall be given in the month of August. Withdrawal of either Ketchum or Sun Valley shall constitute dissolution of the Authority.

8. Dissolution of the Authority

Subject to section 7 above, the Authority may be dissolved and terminated by majority vote of the Parties. Upon the dissolution of the Authority created by this Agreement or any extension or renewal thereof, for whatever reason, the property, real and personal, owned by the Authority shall be sold or distributed in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided between the Parties hereto in proportion equal to the annual operating and capital contributions of each to the Authority since its inception. Provided, however, that prior to any sale of property, real or personal, Parties may agree to distribute said property between themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each. Property of KART or the Cities of Sun Valley or Ketchum existing at the date of this Agreement, or provided by them after the effective date of this Agreement, shall remain their sole and exclusive property and shall not be divided between the Parties hereto. A schedule of such property shall be prepared and attached hereto as Exhibit "A" upon execution of this Agreement. Such property includes, but is not limited to, buses, vans, vehicles, equipment, tools, furnishings, real property, bus maintenance facility and work force housing units.

9. Mediation.

Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

10. Execution and Effect.

Upon execution of this Agreement by Ketchum and Sun Valley, the "Agreement Extending the Ketchum-Sun Valley Public Transit Authority" dated December 11, 2003 and the Agreement by Ketchum, Sun Valley, Bellevue and Blaine County, the "Amended Agreement of the Ketchum-Sun Valley Transit Authority" dated January 31, 2006, shall both be deemed cancelled and replaced by this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

11. Amendment.

This Agreement may only be amended upon the approval of a majority of the Parties. To be effective, any such amendment shall be in writing signed by the Chair of the Board certifying that such amendment had been approved by majority vote of the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by the duly-authorized representatives this 8th day of October, 2007.



CITY OF KETCHUM

By: [Signature]

Mayor

Date: 10/11/07

ATTEST:

[Signature]
City Clerk



CITY OF SUN VALLEY

By: [Signature]

Mayor

Date: 10/10/07

[Signature]
City Clerk

CITY OF HAILEY

By: [Signature]

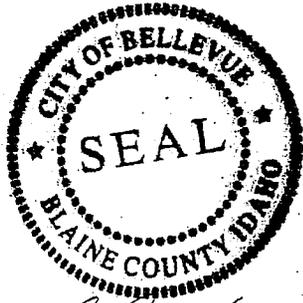
Mayor

Date: October 8, 2007



ATTEST:

[Signature]
City Clerk



CITY OF BELLEVUE

By: Jim B
Mayor

Date: 10/25/2007

ATTEST

Nancy L. Barton
City Clerk

CITY OF CAREY

By: _____
Mayor

Date: _____

ATTEST:

City Clerk



BLAINE COUNTY COMMISSIONERS

By: Ben Bowman

Date: 10-16-07

By: Sarah Michael

Date: 10-16-07

ATTEST

Jolynn Drage
JOLYNN DRAGE

By: _____

Date: 10/16/07

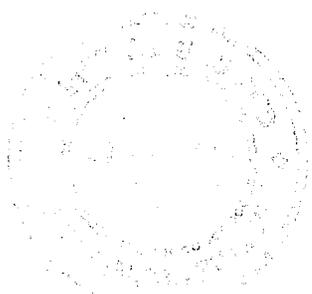


Exhibit A

Joint Powers Agreement

Assets as of 10/1/2005

Mountain Rides Transportation Authority

Date Printed: 03-Mar-09

Asset List with Depreciation

Purchase Dates from 10/1/1982 to 10/1/2005

Asset #	Description	Budget Dept	Purchase Date	Purchase Price	Salvage Value	Useful Life (mos)	Months in Service	Depreciation per Month	Accumulated Depreciation	Net Value
0001	Puller Set 10 Ton	EQUIPMENT	1/25/2000	\$617.00	\$100.00	120	110	\$4.31	\$473.91	\$143.09
0002	Cam set-up S-50	EQUIPMENT	6/3/2002	\$374.00	\$100.00	1200	81	\$0.23	\$18.49	\$355.51
0003	S-50, J24565 & J242276	EQUIPMENT	6/1/2002	\$692.00	\$100.00	1200	81	\$0.41	\$33.21	\$558.79
0004	S-50, J35596 & J35686	EQUIPMENT	7/1/2002	\$629.00	\$100.00	1200	80	\$0.44	\$35.26	\$593.74
0005	Drill Bit Set, 33/64" thru 1"	EQUIPMENT	6/1/2003	\$1,700.00	\$100.00	60	69	\$26.67	\$1,600.00	\$100.00
0008	Dinex Multiplex 82-26661-001-004	EQUIPMENT	8/1/2002	\$3,705.00	\$200.00	120	79	\$29.21	\$2,307.46	\$1,397.54
0009	Torq-Wrench 3/8" 75 ft. lbs.	EQUIPMENT	5/9/2001	\$113.00	\$100.00	120	94	\$0.11	\$10.18	\$102.82
0010	Multimat Tester (Blue Point)	EQUIPMENT	10/15/2001	\$889.00	\$100.00	60	89	\$8.15	\$489.00	\$100.00
0011	Tune-Up Set; [BB - Gummings]	EQUIPMENT	4/7/1999	\$814.80	\$200.00	240	119	\$2.56	\$304.74	\$509.86
0012	Torque Wrench, 3/4" drv.	EQUIPMENT	2/23/2002	\$467.00	\$100.00	120	85	\$3.06	\$269.98	\$207.04
0013	Gauge, Brake drum/Case	EQUIPMENT	10/22/1999	\$266.00	\$50.00	1200	113	\$0.18	\$20.34	\$245.66
0014	Porter-Power 4 Ton	EQUIPMENT	11/17/1990	\$130.00	\$100.00	60	220	\$0.50	\$30.00	\$100.00
0015	Snap Ring Remover Set	EQUIPMENT	7/1/2002	\$70.00	\$50.00	120	80	\$0.17	\$13.34	\$56.66
0016	Voith Diagnostic Kit	EQUIPMENT	11/9/1990	\$878.00	\$100.00	120	220	\$6.48	\$778.00	\$100.00
0017	Soldering Gun 770-2577	EQUIPMENT	11/9/1990	\$23.87	\$10.00	24	220	\$0.58	\$13.87	\$10.00
0018	Injector timing gauge J-2914-B	EQUIPMENT	11/9/1999	\$26.00	\$10.00	1200	112	\$0.01	\$1.49	\$24.51
0019	Double Flaring Kit, 5474	EQUIPMENT	10/10/2002	\$72.00	\$20.00	1200	77	\$0.04	\$3.33	\$68.67
0020	S-50 Main & Rear bearing inst.	EQUIPMENT	10/11/2001	\$237.00	\$50.00	1200	89	\$0.16	\$13.87	\$223.13
0023	Scanner ABS, DDEC I & II	EQUIPMENT	12/1/1990	\$2,500.00	\$1,000.00	60	219	\$25.00	\$1,500.00	\$1,000.00
0024	3/8" Cordless Drill	EQUIPMENT	11/9/1990	\$125.00	\$50.00	24	220	\$3.13	\$75.00	\$50.00
0025	Saw, Holesaw Kit (10 pcs)	EQUIPMENT	10/5/2001	\$230.00	\$75.00	60	89	\$2.58	\$155.00	\$75.00
0026	Battery Chg. 6-12-24 V	EQUIPMENT	11/15/1998	\$500.00	\$100.00	36	124	\$11.11	\$400.00	\$100.00
0028	Gas/Oxygen Torch	EQUIPMENT	11/11/1989	\$350.00	\$100.00	100	232	\$2.50	\$290.00	\$100.00
0029	Tap & Die Set	EQUIPMENT	2/9/2000	\$1,763.36	\$500.00	120	109	\$10.53	\$1,147.55	\$615.81
0030	Wire Welder	EQUIPMENT	11/11/1989	\$995.00	\$200.00	120	232	\$6.63	\$795.00	\$200.00
0031	20-Ton floor Air Jack	EQUIPMENT	11/11/1997	\$1,000.00	\$500.00	60	136	\$8.33	\$500.00	\$500.00
0032	Tap Set, Plug Sty. USS	EQUIPMENT	6/23/2002	\$395.00	\$100.00	60	81	\$4.92	\$295.00	\$100.00
0033	Tap Set, Plug Sty. SAE	EQUIPMENT	7/23/2002	\$395.00	\$100.00	60	80	\$4.92	\$295.00	\$100.00
0034	Tap Set, Bottom Sty. SAE	EQUIPMENT	5/23/2002	\$395.00	\$100.00	60	82	\$4.92	\$295.00	\$100.00
0035	Tap Set, Bottom Sty. USS	EQUIPMENT	7/23/2002	\$395.00	\$100.00	60	80	\$4.92	\$295.00	\$100.00
0036	Metal cut-off saw	EQUIPMENT	11/8/1999	\$215.00	\$50.00	60	112	\$2.75	\$185.00	\$50.00
0039	Drum Dolly, 55gal. drum dolly	EQUIPMENT	9/30/1988	\$243.00	\$100.00	300	246	\$0.48	\$117.27	\$125.73
0040	OR-2601F, Drill Press	EQUIPMENT	11/8/1986	\$647.00	\$200.00	300	268	\$1.16	\$310.00	\$237.00
0042	Chinder, bench 4 1/2"	OTHER SUPPLIES	5/10/1990	\$40.00	\$25.00	120	226	\$0.13	\$15.00	\$25.00
0043	35 TON Hydraulic Press	EQUIPMENT	11/8/1989	\$1,627.00	\$300.00	300	232	\$4.42	\$1,026.21	\$600.79
0044	Parts Washer	EQUIPMENT	9/30/1998	\$1,200.00	\$1,000.00	300	126	\$0.67	\$84.00	\$1,116.00
0045	Tool Box	EQUIPMENT	6/1/1998	\$500.00	\$500.00	600	129	\$0.00	\$0.00	\$500.00

Asset List with Depreciation

Purchase Dates from 10/1/1982 to 10/1/2005

Asset #	Description	Budget Dept	Purchase Date	Purchase Price	Salvage Value	Useful Life (mos)	Months in Service	Depreciation per Month	Accumulated Depreciation	Net Value
0047	Shop base radio & transformer	OFFICE EQUIPME	1/10/1999	\$1,000.00	\$50.00	100	112	\$9.50	\$950.00	\$50.00
0048	Microphone	EQUIPMENT	10/15/2001	\$155.00	\$100.00	120	88	\$0.46	\$40.78	\$114.21
0049	Anti-Freeze Recycler	EQUIPMENT	9/17/1998	\$2,414.44	\$1,200.00	180	126	\$6.75	\$850.11	\$1,564.33
0051	Shop Desk Metal wall mount	EQUIPMENT	1/18/1999	\$133.00	\$75.00	300	112	\$0.19	\$21.66	\$111.36
0052	Bead Blaster, pis. cleaner	EQUIPMENT	4/13/2000	\$500.00	\$200.00	300	107	\$1.00	\$107.00	\$393.00
0054	Air Compressor	EQUIPMENT	5/12/1995	\$1,733.00	\$800.00	240	274	\$3.89	\$933.00	\$800.00
0056	Crimp Kit, air/lbs 90-925	EQUIPMENT	5/21/2003	\$185.00	\$75.00	240	70	\$0.50	\$35.00	\$150.00
0058	Grimp Tool, open barrel 198590	EQUIPMENT	7/12/2002	\$70.00	\$40.00	240	60	\$0.13	\$10.50	\$79.50
0059	12 gal Wet Dry 22531003	EQUIPMENT	3/11/2002	\$90.00	\$75.00	120	84	\$0.13	\$20.00	\$100.00
0228-6	3/8" Drill Milwaukee	EQUIPMENT	1/19/1995	\$120.00	\$100.00	120	160	\$0.17	\$20.00	\$100.00
1 IMPACT WRENC	1 Air Impact Wrench	EQUIPMENT	1/1/1985	\$310.00	\$25.00	360	290	\$0.79	\$229.59	\$80.41
2Z862	Hoese Reel (10)	EQUIPMENT	11/15/1989	\$1,610.00	\$800.00	360	232	\$2.25	\$622.00	\$1,088.00
40 LEADDER	40' extension ladder	EQUIPMENT	11/9/1989	\$120.00	\$100.00	360	232	\$0.06	\$12.90	\$107.10
4074586	Oil Drain Pan-40 gal.	EQUIPMENT	1/1/1989	\$250.00	\$100.00	360	242	\$0.42	\$160.84	\$129.16
500	Computer	EQUIPMENT	3/2000	\$100.00	\$50.00	120	110	\$0.42	\$45.84	\$54.16
501	Computer	EQUIPMENT	15/2004	\$600.00	\$100.00	36	62	\$13.89	\$500.00	\$100.00
506	Monitor	EQUIPMENT	12/2001	\$75.00	\$20.00	120	98	\$0.46	\$44.91	\$30.09
509	Printer	EQUIPMENT	15/2004	\$100.00	\$50.00	120	62	\$0.42	\$25.84	\$74.16
513	Digital Camera	EQUIPMENT	12/2002	\$180.00	\$75.00	150	86	\$0.70	\$60.20	\$119.80
514	Phone	EQUIPMENT	12/2002	\$200.00	\$100.00	150	86	\$0.67	\$57.34	\$142.66
515	Lamps (4)	EQUIPMENT	12/2002	\$200.00	\$100.00	150	86	\$0.67	\$57.34	\$142.66
621	Coat Rack (free-standing)	EQUIPMENT	16/2004	\$250.00	\$100.00	600	62	\$0.25	\$15.50	\$234.50
522	2 Drawer File Cabinet (GENE)	EQUIPMENT	1/8/2003	\$75.00	\$30.00	500	74	\$0.09	\$6.66	\$68.34
530 (File Cabine	2 Drawer File Cabinet (GENE)	OFFICE EQUIPME	9/30/1986	\$366.00	\$50.00	300	270	\$1.05	\$284.39	\$81.61
533 (0053)	2 Way Radio	EQUIPMENT	11/15/1985	\$195.00	\$50.00	120	280	\$1.21	\$145.00	\$50.00
534 (0055)	Desk Set computer	EQUIPMENT	10/5/1998	\$308.00	\$100.00	240	125	\$0.87	\$108.34	\$199.66
537 (Phone System	Executone	OFFICE EQUIPME	12/2002	\$700.00	\$100.00	200	86	\$1.50	\$129.00	\$571.00
550-5020 (1)	Seal Installer (4)	EQUIPMENT	11/9/1990	\$349.44	\$25.00	360	220	\$0.90	\$198.26	\$151.18
554 (3)	45 Gal Storage Cabinet (fire)	EQUIPMENT	10/9/1998	\$1,212.23	\$500.00	360	125	\$1.15	\$143.14	\$1,069.09
55222-A (1)	Sander Air straightline	EQUIPMENT	4/15/1999	\$169.00	\$100.00	240	119	\$0.29	\$34.21	\$134.79
552012	Service Manual 6V-92	EQUIPMENT	8/1/1999	\$210.00	\$100.00	600	115	\$0.18	\$21.08	\$188.92
5X940	C-clamps (5)	EQUIPMENT	7/5/1995	\$125.00	\$75.00	240	164	\$0.21	\$34.16	\$90.84
7750 GREASE PUM	Pump Air (grease)	EQUIPMENT	9/30/1987	\$218.00	\$109.40	360	288	\$3.04	\$784.04	\$1,403.96
821-1986	Reel Air hose	EQUIPMENT	7/15/2002	\$141.78	\$50.00	120	80	\$0.76	\$60.60	\$80.60
94-102	Porta Power 10-Ton	EQUIPMENT	7/15/1993	\$73.00	\$100.00	240	188	\$1.14	\$213.85	\$159.15
94-224	20 Ton Bottle Jack	EQUIPMENT	1/19/1994	\$150.00	\$100.00	240	172	\$0.21	\$36.83	\$114.17
BENCH (5)	Work Bench (5)	BUSES	1/8/1999	\$610.00	\$100.00	12	112	\$42.60	\$510.00	\$100.00
BENCH GRINDER	140 Bench Grinder #596	EQUIPMENT	1/8/1999	\$250.00	\$50.00	240	112	\$0.83	\$93.33	\$156.67
BENCH GRINDER	6" Bench Grinder # 650	EQUIPMENT	1/8/1999	\$125.00	\$50.00	240	112	\$0.31	\$35.00	\$90.00

Asset List with Depreciation

Purchase Dates from 10/1/1982 to 10/1/2005

Asset #	Description	Budget Dept	Purchase Date	Purchase Price	Salvage Value	Useful Life (mos)	Months in Service	Depreciation per Month	Accumulated Depreciation	Net Value
BENCHES	Benches, Bus Stop; (2)	BUILDING	9/30/1991	\$374.33	\$10.00	50	210	\$7.29	\$364.33	\$10.00
BLUEBIRD # 1	1997 23 Passenger/LIFTW/2	BUSES	1/1/1997	\$96,000.00	\$4,000.00	144	146	\$638.89	\$92,000.00	\$4,000.00
BLUEBIRD # 2	1997 23 Passenger, /LITW/2	BUSES	1/1/1997	\$96,000.00	\$4,000.00	144	146	\$638.89	\$92,000.00	\$4,000.00
Cellphone	Cellphone (ROD'S)	PHONE	10/1/2000	\$189.00	\$50.00	60	101	\$4.28	\$149.00	\$50.00
DESK, OFFICE	Hon. HH Desk(TIM)	EQUIPMENT	9/30/1986	\$607.00	\$100.00	120	270	\$4.23	\$507.00	\$100.00
DODGE VAN (17)	1994 4Pas.; W/Wheel Chr. Acces	BUSES	1/1/1994	\$29,112.00	\$3,000.00	120	182	\$217.60	\$26,112.00	\$3,000.00
FA 130 D	Compressor, Gas powered	EQUIPMENT	6/23/1986	\$638.00	\$100.00	120	273	\$4.48	\$638.00	\$100.00
GILLIG # 10	1995 29 PASSENGER, LIFTW/2	BUSES	1/1/1995	\$205,115.00	\$5,000.00	144	170	\$1,389.69	\$200,115.00	\$5,000.00
GILLIG # 11	1995 29 Passenger;LIFTW/2	BUSES	1/1/1995	\$205,115.00	\$5,000.00	144	170	\$1,389.89	\$200,115.00	\$5,000.00
GILLIG # 4	2002 28 Passenger, RAMP W/2	BUSES	8/1/2002	\$241,315.00	\$5,000.00	144	79	\$1,641.08	\$129,645.04	\$111,669.96
GILLIG #3	2002 28 Passenger, RAMP W/2	BUSES	8/1/2002	\$241,315.00	\$5,000.00	144	79	\$1,641.08	\$129,645.04	\$111,669.96
J26489	Spanner Wrench(65.HUB)	EQUIPMENT	5/28/1999	\$178.84	\$50.00	1200	118	\$0.11	\$12.67	\$166.17
J31541A	Seal Installer-Set (1) 6pcs.	EQUIPMENT	11/9/1999	\$275.00	\$50.00	1200	112	\$0.19	\$21.00	\$254.00
J35925	Spanner Nut Torque. (G. Trans.)	EQUIPMENT	10/23/2001	\$249.70	\$50.00	1200	89	\$0.17	\$14.81	\$234.89
J8092	Seal Installer Set (1) 3pcs.	EQUIPMENT	1/9/1999	\$180.00	\$50.00	1200	112	\$0.11	\$12.13	\$167.87
L52659	Hoist, bus lift- Rotary	EQUIPMENT	3/7/1988	\$16,313.00	\$5,000.00	120	252	\$64.28	\$11,313.00	\$5,000.00
LAND/KART BLDG.	Land & KART Building	BUILDING	9/30/1987	\$393,342.00	\$600,000.00	1200	256	(\$172.22)	(\$206,658.00)	\$600,000.00
LOCKERS	Drivers Lockers	BUILDING	11/9/1990	\$480.00	\$100.00	360	220	\$1.06	\$232.23	\$247.77
MARK-2	Puller, U-Joint	EQUIPMENT	10/24/2001	\$225.00	\$50.00	0	89			
MISC. TOOLS	Shop tools. [ref. below]	EQUIPMENT	10/25/2000	\$1,718.28	\$500.00	1200	101	\$1.02	\$102.54	\$1,615.74
MISC. TOOLS 2	Misc. shop equip. ref. below	EQUIPMENT	10/26/2000	\$1,478.45	\$500.00	120	101	\$8.15	\$823.53	\$654.92
ORION BUS # 7	1989 31 Passenger	BUSES	1/1/1989	\$141,000.00	\$5,000.00	144	242	\$944.44	\$136,000.00	\$5,000.00
ORION BUS # 8	1991 31 Passenger	BUSES	1/1/1990	\$153,000.00	\$5,000.00	144	230	\$1,027.78	\$148,000.00	\$5,000.00
ORION BUS #6	1989 31 Passenger	BUSES	1/1/1989	\$141,000.00	\$5,000.00	144	242	\$944.44	\$136,000.00	\$5,000.00
PICK-UP	1976 FORD, PICK-UP /Snow plow	BUSES	1/1/1996	\$9,000.00	\$1,000.00	180	158	\$44.44	\$7,022.22	\$1,977.78
RADIO TWO-WAY	Bus two-way radios. (8)	EQUIPMENT	9/30/1984	\$5,200.00	\$2,000.00	120	294	\$26.67	\$3,200.00	\$2,000.00
RADIO, MGR.BASE	Mgr. Radio-Shop Base	BUILDING	9/30/1980	\$623.00	\$10.00	12	222	\$51.08	\$613.00	\$10.00
REFRIGERATOR	10 cu. ft Refrigerator	EQUIPMENT	1/9/1985	\$329.00	\$50.00	180	160	\$1.55	\$248.00	\$81.00
REFRIGERATOR,S	5 cu. ft. Refrigerator	EQUIPMENT	7/9/1986	\$315.00	\$50.00	360	272	\$0.74	\$200.22	\$114.78
SHELVEING	Shelving - Parts Storage	EQUIPMENT	9/30/1988	\$2,042.00	\$250.00	240	246	\$7.47	\$1,792.00	\$250.00
Shop Phones	Phones (2)	OFFICE EQUIPME	9/30/1984	\$265.00	\$75.00	360	294	\$0.63	\$155.17	\$109.83
SIDE CHAIRS	2 Side Chair (TERRY)	OFFICE EQUIPME	9/30/1986	\$385.00	\$10.00	12	270	\$31.25	\$375.00	\$10.00
SKT1854	Socket Set	OTHER SUPPLIES	7/5/2001	\$55.00	\$10.00	1200	92	\$0.05	\$4.30	\$61.70
SKT6012	Punch Set	OTHER SUPPLIES	7/5/2001	\$59.75	\$10.00	1200	92	\$0.04	\$3.82	\$55.93
TANK,WASTE OIL	Waste oil storage Tank	EQUIPMENT	9/30/1988	\$2,095.00	\$20.00	600	246	\$3.46	\$850.74	\$1,244.26
TIME CLOCK	Amano Time Clock (PIX-10)	OFFICE EQUIPME	11/9/1996	\$160.00	\$75.00	240	148	\$0.31	\$46.25	\$103.75
TIRE DOLLY	Tire Mounting dolly	EQUIPMENT	11/9/1992	\$178.00	\$20.00	600	196	\$0.26	\$51.61	\$126.39
TMC # 9	1979 31 Passenger	BUSES	1/1/1990	\$20,090.00	\$500.00	144	230	\$135.42	\$19,590.00	\$500.00
TV	TV	EQUIPMENT	5/21/2002	\$45.00	\$10.00	15	82	\$2.33	\$35.00	\$10.00

Asset List with Depreciation

Purchase Dates from 10/1/1982 to 10/1/2005

<u>Asset #</u>	<u>Description</u>	<u>Budget Dept</u>	<u>Purchase Date</u>	<u>Purchase Price</u>	<u>Salvage Value</u>	<u>Useful Life (mos)</u>	<u>Months In Service</u>	<u>Depreciation per Month</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
VCR		EQUIPMENT	5/21/2002	\$20.00	\$10.00	15	82	\$0.67	\$10.00	\$10.00
VICE	Drill Press Vice	EQUIPMENT	11/8/1988	\$138.00	\$10.00	360	268	\$0.36	\$95.30	\$42.70
WISE-6"	6" Bench vise	EQUIPMENT	11/8/1999	\$100.00	\$10.00	360	112	\$0.25	\$28.00	\$72.00

Total # of Assets on Report: 118

Total Net Value: \$695,778.82

AGENDA ITEM SUMMARY

DATE: 8/8/2011 DEPARTMENT: Legal DEPT. HEAD SIGNATURE: _____

SUBJECT:

Resolution No. 2011-25 approving the First Amendment to Ground Lease (River Street property), and authorizing the signature of the First Amendment and its associate documents by Martha Burke, in the absence of the City Council President.

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

At the last special meeting of the City Council, you approved a Memorandum of Restrictive Covenants, a First Amendment to Ground Lease, and Memorandum of First Amendment to Ground Lease, and authorized the Council President to sign. The Council President was not present at that meeting and left town before his signature was obtained. The Council President has been unable to attend to city business because of a death in his family. River Street Apartments Limited Partnership urged Hailey to execute the documents to facilitate the start of construction. I consented to allowing Council Member Burke to sign these documents instead of the Council President Haemmerle. Accordingly, I would urge the Council to ratify the signature of Council Member Burke on these documents through the attached Resolution.

Ned

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS Case # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____
Comments:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	_____
___ Safety Committee	___ P & Z Commission	___ Police	_____
___ Streets	___ Public Works, Parks	___ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Motion to approve Resolution 2011-25, approving First Amendment to Ground Lease with River Street Apartments Limited Partnership and its associate documents, including the Memorandum of Restrictive Covenants and Memorandum of First Amendment to Ground Lease, and ratifying Martha Burke's signature of the documents in the absence of the City Council President.

FOLLOW-UP REMARKS:

CITY OF HAILEY
RESOLUTION NO. 2011-25

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF HAILEY
AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO GROUND
LEASE WITH RIVER STREET APARTMENTS LIMITED PARTNERSHIP.**

WHEREAS, the City of Hailey ("Lessee") has executed a Ground Lease dated January 27, 2011, with River Street Apartments Limited Partnership ("Lessor") allowing the real property located at 731 River Street No, Hailey, Idaho to be leased for ninety nine (99) years thereby facilitating the construction and operation of a twenty three (23) unit apartment complex for qualifying senior citizens; and

WHEREAS, the Lessee and Lessor desire to amend the Ground Lease, primarily to further facilitate the financing and construction of the apartment complex.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY, IDAHO, that the City of Hailey approves the attached First Amendment to Ground Lease, a copy of which is attached hereto, and that Martha Burke be authorized to execute the First Amendment to Ground Lease and its associate documents in the place of the Hailey City Council President.

Passed this _____ day of August, 2011.

City of Hailey

Martha Burke, Hailey City Council Member

ATTEST:

Mary Cone, City Clerk

FIRST AMENDMENT TO GROUND LEASE

This First Amendment to Ground Lease ("First Amendment") is entered into this 29th day of July, 2011 by and between CITY OF HAILEY, a municipality and political subdivision of the state of Idaho, ("Landlord") and RIVER STREET APARTMENTS LIMITED PARTNERSHIP, an Idaho limited partnership ("Tenant").

RECITALS

- A. Landlord and Tenant entered into a Ground Lease dated January 27, 2011 ("Ground Lease"), for a 99 year term.
- B. Tenant has secured financing to construct a twenty four (24) unit apartment building to be constructed on the leased premises, more particularly described in the Ground Lease.
- C. To secure the financing, Tenant has requested amendments to the Ground Lease and certain acknowledgments required by the Ground Lease.
- D. Subject to the terms and conditions of this First Amendment, the parties desire to enter into this First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, and the mutual covenants, promises, agreements, terms and conditions set forth herein, the Parties covenant and agree or make acknowledgement, as follows:

1. Landlord and Tenant acknowledge that under Section 4(b)(i) of the Ground Lease, Tenant is required to submit comprehensive plans and specifications for the construction of Improvements. Tenant has submitted required Construction Plans to the Landlord and Landlord hereby approves said Construction Plans as submitted subject to Tenant obtaining necessary building and other permits.
2. Landlord and Tenant acknowledge that under Section 13(b)(i) of the Ground Lease, Tenant is required to obtain approval from Landlord to encumber the Leasehold Interest. Landlord hereby approves of the following encumbrances to be recorded in the following sequence:
 - a. Memorandum of Restrictive Covenants in favor of Idaho Housing and Finance Association
 - b. Low-Income Housing Tax Credit Regulatory Agreement in favor of Idaho Housing and Finance Association
 - c. Leasehold Deed of Trust in the amount of \$3,870,885 in favor of Idaho Housing and Finance Association

- d. Regulatory Agreement – Limited Dividend or Nonprofit Rental Housing Development in favor of Idaho Housing and Finance Association
- e. Leasehold Deed of Trust in the amount of \$515,000 in favor of Idaho Housing and Finance Association

Notwithstanding the approval of the above encumbrances, the Parties understand and agree that the above described encumbrances are subordinate to the Ground Lease and that the Ground Lease is superior and prior in time to the above described encumbrances.

3. Landlord and Tenant agree to amend Section 6(b) of the Ground Lease so that individual occupants of residential units within the Premises will be responsible for payment of certain utilities specific to individual residential units and that no default shall be declared under the Ground Lease if such utilities specific to individual residential units incur any late charges or penalties.
4. Landlord and Tenant agree to amend Section 13(a) of the Ground Lease to allow Tenant to lease individual residential units in the Premises to eligible households. Landlord hereby approves and consents to such individual lease agreements.
5. For any notice to the current Investor Limited Partner under the right to cure provisions described in Section 17(g) of the Ground Lease, Landlord and Tenant agree to amend Section 20(f) of the Ground Lease to show the following address for current Investor Limited Partner:

NEF Assignment Corporation
c/o National Equity Fund, Inc.
120 North Riverside Plaza, 15th Floor
Chicago, IL 60606
Attn: Senior Vice-President – Asset Management

6. Landlord and Tenant agree to amend Section 17 of the Ground Lease to add the following: Notwithstanding the foregoing or anything else in the Lease to the contrary, Landlord shall not terminate this Lease prior to December 31, 2029, or prior to the end of the compliance period for federal income tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, relating to the residential rental housing constructed by the Tenant on the Premises, whichever is sooner.
7. Landlord and Tenant agree to amend the signature of the Ground Lease to show that the general partner of River Street Apartments Limited Partnership is River Street Senior Housing, LLC, which consists of two managers, Gregory A. Urrutia and ARCH Community Land Trust, Inc., an Idaho nonprofit corporation.
8. At the request of either party, the parties hereto shall execute and record a short form or memorandum of this First Amendment to Ground Lease to evidence Tenant's interest in the Premises.

In Witness Whereof, the parties have executed this First Amendment to Ground Lease as of the 29th day of July, 2011.

ATTEST:

CITY OF HAILEY, IDAHO


Mary Cone, City Clerk

By: 
Martha Burke, Council Member

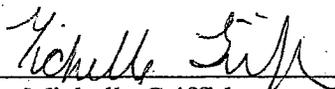


RIVER STREET APARTMENTS
LIMITED PARTNERSHIP,
an Idaho limited partnership

By: River Street Senior Housing, LLC,
an Idaho limited liability company
General Partner

By: _____
Gregory A, Urrutia
Manager

By: ARCH Community Land Trust, Inc.
an Idaho nonprofit corporation,
Manager

By: 
Michelle Griffith
Executive Director

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Idaho Housing and Finance Association
Attn: HOME Dept.
PO Box 7899
Boise, Idaho 83707-1899

MEMORANDUM OF RESTRICTIVE COVENANTS AND REGULATORY AGREEMENT

It is hereby agreed and understood that, in accordance with the Idaho Housing & Finance Association HOME 2010 Administrative Plan and the provisions of a Loan and Regulatory Agreement dated as of July 29, 2011 (the "Agreement") by and between the Idaho Housing and Finance Association, an independent public body corporate and politic of the State of Idaho (the "Association"), having its principal office located at 565 West Myrtle Street, Boise, Idaho, 83702, and River Street Apartments Limited Partnership, an Idaho Limited Partnership (the "Borrower"), having its principal office located at 160 Second Street, Ketchum, Idaho 83340, the Borrower and The City of Hailey, a municipality and political subdivision of the state of Idaho ("Landlord"), having its principal office located at 115 Main Street South, Hailey Idaho 83333, who have entered into a Ground Lease agreement dated January 27, 2011, have covenanted with respect to the property described in Exhibit "A" attached hereto (the "Property"), and do hereby covenant, as follows:

1. The Borrower and/or Landlord, and such successors and assignees as the Association shall approve in writing, shall utilize no less than six (6) units located on the Property solely for the purpose of providing affordable housing to very low income persons as defined in 24 CFR 92.2 pursuant to the provisions of the Agreement (the "HOME Assisted Units"). In order to maintain conformity with the requirements of this section during the period of affordability so that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size, features, and number of bedrooms to the originally designated HOME Assisted Unit, all six (6) HOME Assisted Units shall be designated as "Floating Units". The following income restrictions apply to occupants of the HOME Assisted Units:
 - a. Two (2) one-bedroom units shall be occupied by households whose annual incomes, at the time of Initial Occupancy (which is defined as the onset of occupancy of each and every tenant), do not exceed fifty percent (50%) of the "Area Median Family Income for Blaine County, Idaho" (the "Very Low-income HOME Units");
 - b. Four (4) one-bedroom units shall be occupied by households whose annual incomes, at the time of Initial Occupancy, do not exceed eighty percent (80%) of the "Area Median Family Income for Blaine County, Idaho" (the "Low-income HOME Units");
 - c. For purposes of this section, the "Area Median Family Income for Blaine County, Idaho" shall be determined in accordance with 24 CFR § 92.216(a) (1). Income shall be determined in accordance with 24 CFR Part 5 subpart F.

2. Notwithstanding the covenants in Paragraph 1 above, for the Initial Rent-up of the project (which is defined as the Initial Occupancy of the initial tenants of the project), the six (6) Home Units shall be occupied as follows:
 - a. Two (2) one-bedroom units shall be occupied by households whose annual incomes, at the time of Initial Occupancy, do not exceed forty percent (40%) of the "Area Median Family Income for Blaine County, Idaho" (the "40% HOME Units");
 - b. One (1) one-bedroom unit shall be occupied by households whose annual incomes, at the time of Initial Occupancy, do not exceed forty-five percent (45%) of the "Area Median Family Income for Blaine County, Idaho" (the "45% HOME Units"), and;
 - c. Three (3) one-bedroom units shall be occupied by households whose annual incomes, at the time of Initial Occupancy, do not exceed fifty percent (50%) of the "Area Median Family Income for Blaine County, Idaho" (the "50% HOME Units").
 - d. For purposes of this section, the "Area Median Family Income for Blaine County, Idaho" shall be determined in accordance with 24 CFR § 92.216(a) (1). Income shall be determined in accordance with 24 CFR Part 5 subpart F.
3. Notwithstanding the covenants in Paragraphs 1(a)-1(c) and 2(a)-2(c) above, upon foreclosure or transfer in lieu of foreclosure, the HOME Assisted Units shall be occupied as follows:
 - a. Two (2) one-bedroom units shall be occupied as Very Low-income HOME Units;
 - b. Four (4) one-bedroom units shall be occupied as Low-income HOME Units;
 - c. For purposes of this section, the "Area Median Family Income for Blaine County, Idaho" shall be determined in accordance with 24 CFR § 92.216(a) (1). Income shall be determined in accordance with 24 CFR Part 5 subpart F.

Said covenant shall continue in effect for the statutory minimum Period of Affordability of twenty (20) years after project completion as required by HUD, and for an extended Period of Affordability of an additional ten (10) years as required by the Association. Project completion is established when the required project completion information and beneficiary data are complete, accurate and entered into the HUD Integrated Disbursement and Information System.

4. Unless otherwise approved by the Association in writing, during the Period of Affordability, the rents charged for all six (6) HOME Assisted Units shall be as follows:
 - a. The rents charged for the Very Low-income HOME Units referenced in paragraph 1 above, including the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant, shall not be more than the lesser of (1) the Section 8 Fair Market Rent for a comparable unit as established by HUD under 24 CFR § 888.111, or (2) the rent established by HUD under 24 CFR § 92.252(b)(1) for a unit occupied by a family with less than fifty percent (50%) of the Area Median Family Income referenced in paragraph 1 above.

- b. The rents charged for the Low-income HOME Units referenced in paragraph 1 above, including the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant, shall not be more than the lesser of (1) the Section 8 Fair Market Rent for a comparable unit as established by HUD under 24 CFR § 888.111, or (2) the rent established by HUD under 24 CFR § 92.252(b)(1) for a unit occupied by a family with less than eighty percent (80%) of the Area Median Family Income referenced in paragraph 1 above.
5. Notwithstanding the covenants in Paragraph 4 above and unless otherwise approved by the Association in writing, for the Initial Rent-up of the project, the rents charged for all six (6) HOME Assisted Units shall be as follows:
- a. The rents charged for the 40% HOME Units referenced in paragraph 2 above, including the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant, shall not be more than the lesser of (1) the Section 8 Fair Market Rent for a comparable unit as established by HUD under 24 CFR § 888.111, or (2) the rent established by the Association for a 40% HOME unit.
 - b. The rents charged for the 45% HOME Units referenced in paragraph 2 above, including the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant, shall not be more than the lesser of (1) the Section 8 Fair Market Rent for a comparable unit as established by HUD under 24 CFR § 888.111, or (2) the rent established by the Association for a 45% HOME unit.
 - c. The rents charged for the 50% HOME Units referenced in paragraph 2 above, including the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant, shall not be more than the lesser of (1) the Section 8 Fair Market Rent for a comparable unit as established by HUD under 24 CFR § 888.111, or (2) the rent established by HUD under 24 CFR § 92.252(b)(1) for a unit occupied by a family with less than fifty percent (50%) of the Area Median Family Income referenced in paragraph 2 above.
6. Notwithstanding the covenants in Paragraphs 4(a)-4(b) and 5(a)-5(c) above, upon foreclosure or transfer in lieu of foreclosure, the rents charged for the HOME Assisted Units, including the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant, shall not be more than the lesser of (1) the Section 8 Fair Market Rent for a comparable unit as established by HUD under 24 CFR § 888.111, or (2) the rent established by HUD under 24 CFR § 92.252(b)(1) as they apply to the Very Low-income and Low-income HOME units, respectively. Said covenant shall continue in effect for the statutory minimum Period of Affordability of twenty (20) years after project completion as required by HUD, and for an extended Period of Affordability of an additional ten (10) years as required by the IHFA. Project completion is established when the required project completion information and beneficiary data are complete, accurate and entered into the HUD Integrated Disbursement and Information System.
7. There shall be no discrimination against, or segregation of, any person, or group of persons, on account of race, color, religion, gender, national origin, age, disability or familial status in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the Borrower (itself or any person claiming under or through Borrower) shall not establish or permit

any such practice or practices of discrimination, or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees thereof or any portion thereof.

8. The Borrower and/or Landlord further covenants that it will carry out all of the provisions of the said Agreement and that all of said covenants set forth above and in the Agreement shall run with the Property. Except in the case of foreclosure or transfer in lieu of foreclosure under Paragraphs 3 and 6, the covenants numbered 1, 2, 4 and 5, above, shall continue in effect for twenty (20) years after project completion as required by HUD, and for an extended Period of Authority of an additional ten (10) years as required by the Association, subject to any limitations of the Agreement and the other covenants in the Agreement shall continue until the Agreement expires or terminates according to its terms. Project completion is established when the required project completion information and beneficiary data are complete, accurate and entered into the HUD Integrated Disbursement and Information System. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership.

Copies of the Agreement are available at the offices of the Association at 565 West Myrtle Street, Boise, Idaho 83702, telephone (208) 331-4882.

DATED: July 29, 2011

IDAHO HOUSING AND FINANCE ASSOCIATION
"Association"

By: _____
Julie H. Williams
Its: Executive Vice President

RIVER STREET APARTMENTS LIMITED PARTNERSHIP, AN IDAHO LIMITED PARTNERSHIP
"Borrower"

By: RIVER STREET SENIOR HOUSING, LLC, and Idaho Limited Liability Company
Its: GENERAL PARTNER

By: _____
Gregory A. Urrutia, Manager

ARCH Community Housing Trust, Inc, an Idaho nonprofit corporation,
Manager

By: Michelle Griffith
Michelle Griffith, Executive Director

STATE OF IDAHO)
) ss.
County of Canyon)

On this _____ day of _____, 2011, before me, a Notary Public in and for said State, personally appeared GREGORY A. URRUTIA, known or identified to me to be one of the managers of River Street Senior Housing, LLC, an Idaho limited liability company, and the manager who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that he executed the same in said limited liability company name.

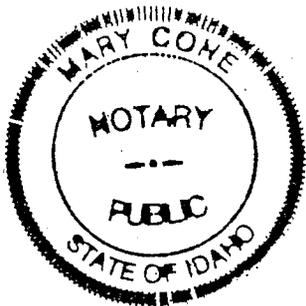
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF IDAHO)
) ss.
County of Blaine)

On this 2nd day of August, 2011, before me, a Notary Public in and for said State, personally appeared MARTHA BURKE, known or identified to me to be a Council Member of the City of Hailey, who executed the foregoing instrument, and acknowledged to me that he executed the same.

In witness thereof, I have set my hand and affixed my seal the day and year in this certificate above written.



Notary Public for Idaho
Residing at: Hailey, ID
My commission expires: 9/8/2014

EXHIBIT "A"

LEGAL DESCRIPTION

LOT 2A of LOT 2A and PARCEL A, SUTTON SUBDIVISION, BLAINE COUNTY, IDAHO, according to the official plat thereof, recorded December 8, 2006, as Instrument No. 542685, records of Blaine County, Idaho.

Commonly referred to as 731 North River Street, Hailey, ID 83333

MEMORANDUM OF FIRST AMENDMENT TO GROUND LEASE

THIS MEMORANDUM OF FIRST AMENDMENT TO GROUND LEASE is made this 29th day of July, 2011, by and between the City of Hailey, Idaho, a municipality and political subdivision of the State of Idaho ("City") and River Street Apartments Limited Partnership, an Idaho limited partnership ("River Street").

NOTICE IS HEREBY GIVEN that the City and River Street entered into a certain Ground Lease dated the 27th day of January, 2011 ("Ground Lease"), whereby the City and River Street agreed to lease unimproved property located 731 River Street North, Hailey, Idaho. A Memorandum of Ground Lease was recorded as Instrument No. 585271, records of the County Recorder, Blaine County, Idaho. A Corrected Memorandum of Ground Lease was recorded as Instrument No. 588952, records of the County Recorder, Blaine County, Idaho.

NOTICE IS HEREBY GIVEN that the City and River Street entered into a certain First Amendment to Ground Lease dated the 29th day of July, 2011 ("First Amendment"), whereby the City and River Street agreed to amend the Ground Lease.

The Lease and the First Amendment are binding upon the heirs, successors and assigns to the parties thereto and constitutes a covenant running with the real property more particularly described as Lot 2A of a Replat of LOT 2A AND PARCEL A, SUTTON SUBDIVISION, BLAINE COUNTY, IDAHO, according to the official plat thereof, recorded December 8, 2006, as Instrument No. 542685, records of Blaine County, Idaho.

Copies of the Lease and First Amendment are available for inspection during regular business hours at the Hailey City Hall, Hailey, Idaho.

WITNESS, this Memorandum of First Amendment to Ground Lease is executed on behalf of the City of Hailey, Idaho, this 29th day of July, 2011.



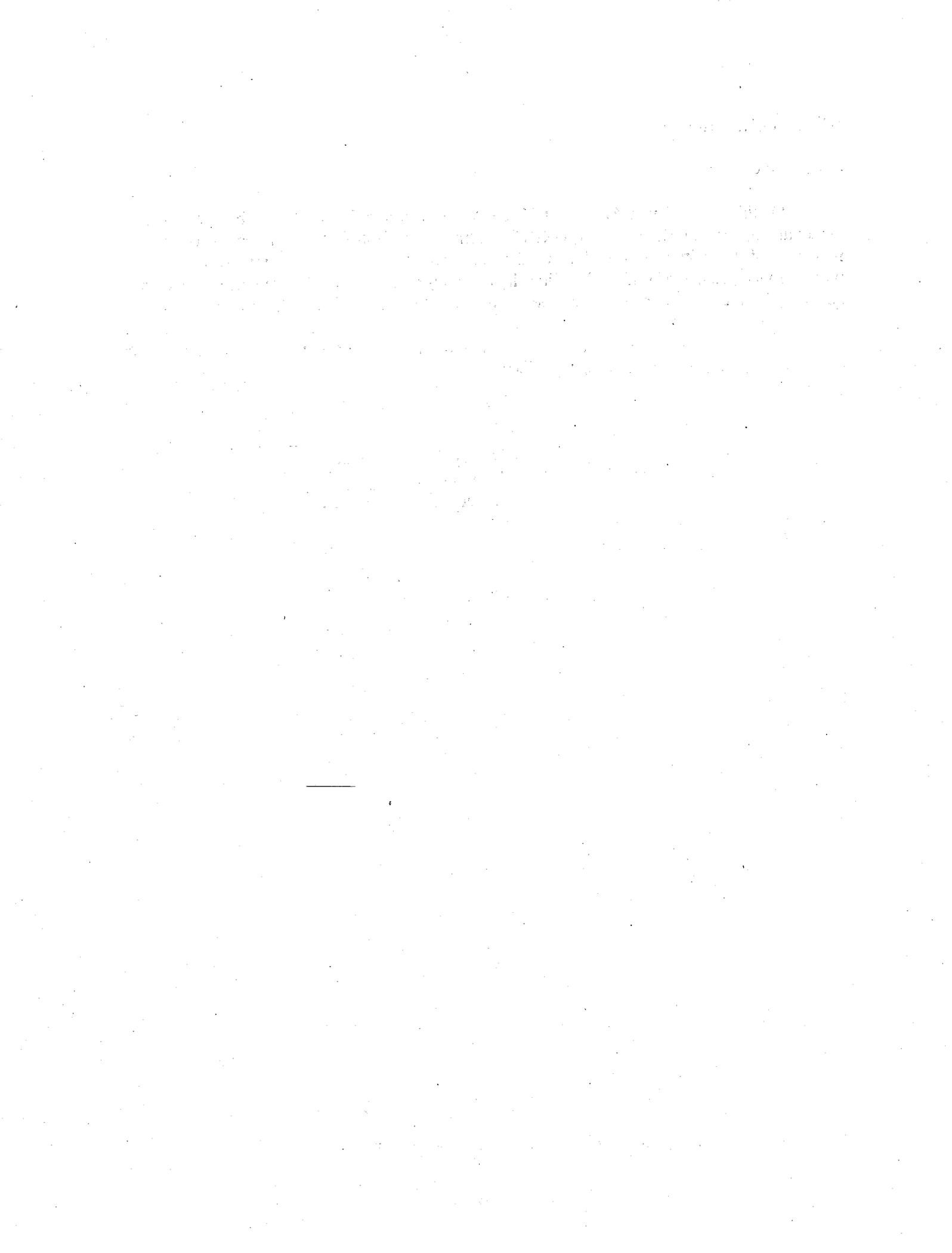
CITY OF HAILEY

By: Martha Burke
Martha Burke, Council Member

RIVER STREET APARTMENTS LIMITED PARTNERSHIP, an Idaho limited partnership

By: River Street Senior Housing, LLC,
an Idaho limited liability company, General Partner

By: _____
Gregory A. Urrutia, Manager



AGENDA ITEM SUMMARY

DATE: 8/8//11 **DEPARTMENT:** Finance & Records **DEPT. HEAD SIGNATURE:**

SUBJECT:

Alcohol Beverage License Renewals

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code 5.04, 5.08, 5.12
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Annual renewal of alcohol beverage licenses, which expire each year on July 31.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS Caselle # _____

Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

_____ City Attorney	<input checked="" type="checkbox"/> City Clerk	_____ Engineer	_____ Building
_____ Library	_____ Planning	_____ Fire Dept.	_____
_____ Safety Committee	_____ P & Z Commission	<input checked="" type="checkbox"/> Police	_____
_____ Streets	_____ Public Works, Parks	_____ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Motion to approve the following alcohol beverage license renewal, which has been approved by HPD.

- WiseGuy Pizza Pie
- Divine
- A Taste of Thai
- Mobile Cycle Repair
- Albertson's
- Albertson's Express
- Lago Azul
- Sun Valley Brewery
- Three Ten Main
- Shelly's Deli
- Big Belly Deli

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____
City Clerk _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: _____ *Additional/Exceptional Originals to: _____
Copies (all info.): _____ Copies _____
Instrument # _____

