

AGENDA ITEM SUMMARY

DATE: September 27, 2010

DEPARTMENT: Planning

DEPT. HEAD SIGNATURE: 

**SUBJECT:** Approval of Scope of Work for Airport Site Redevelopment Plan and Feasibility Analysis ("Master Plan")

**AUTHORITY:**  ID Code \_\_\_\_\_  IAR \_\_\_\_\_  City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

On July 12, 2010 the Council discussed the option of 1) pursuing a new RFQ/RFP process to select a consultant to assist the City in the development of a master plan for the airport site, or 2) utilizing the Mead and Hunt consulting team selected by FMAA for Program Management Services for the new airport site. It was explained to Council that the RFQ for Program Management Services included a component related to planning the future redevelopment of the current site and the team selected includes the planning services of Hart Howerton, Aviation and two local firms Ruscitto/Latham/Blanton Architectura and Power Engineers for that component. A preliminary statement of approach from the Mead and Hunt team was given to the Council for review. After discussion, the Council determined it would be best to use the Program Management Services team in place because they were highly qualified to perform the work anticipated by the City, included local firms and using the team would expedite the start of the planning process.

FMAA formally initiated the master planning process with the City in a letter dated July 12, 2010 to which the City responded by letter on July 13, 2010 indicating one or more agreements regarding roles and funding would be needed (both letters are attached). Concurrently, FMAA asked Mead and Hunt to develop a detailed scope of work for the project for review and approval. The final scope of work is attached, the agreement is addressed separately by the City Attorney. The scope of work is dated September 15, 2010 and is labeled as a draft because FMAA is still waiting final approval by FAA (FAA has reviewed the document and has given feedback to FMAA which is reflected in the document attached).

It has been established in discussions between the City, County and FMAA over the last 9 months that it is the City's responsibility to oversee the master planning of the current airport site. The development of the scope of work has been overseen by the Hailey Planning Department to ensure the element important to the City are thoroughly addressed including a market analysis, consideration of other neighborhoods and Downtown and the importance of a community-based process and the plan being consistent with the established goals and policies of the City. The planning project team will be overseen by the Hailey Planning Department; the work will be lead by Hart Howerton with local support from Ruscitto/Latham/Blanton Architectura. The company Village Solutions was added to the team to specifically work on the market analysis component.

An email from Marty Flannes, a principal in Totus Advisors is also attached. The email comments on the proposed scope of service and offers to perform three tasks.

Since FMAA is funding the project, costs are being overseen by FMAA according to FAA requirements and the contracts will be between FMAA and the consultants.

**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)**

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

**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

Motion to approve the scope of work.

**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: Record  
Copies (all info.): \_\_\_\_\_  
Instrument # \_\_\_\_\_

\*Additional/Exceptional Originals to: \_\_\_\_\_  
Copies (AIS only)

## **Preliminary Draft Scope of Services**

### **Airport Redevelopment Plan and Feasibility Analysis**

#### **EXECUTIVE SUMMARY**

This scope of services describes professional services that will be provided to the Friedman Memorial Airport Authority (FMAA) to develop a plan that will identify options and a preferred alternative to allow the current airport site to be redeveloped for other uses should the Airport be relocated to another location within Blaine County. This plan is being completed in coordination with a Financial Feasibility Analysis by Ricondo & Associates and concurrently with an Environmental Impact Statement being completed by Landrum & Brown under the supervision of the Federal Aviation Administration. Implementation of the redevelopment plan is conditioned upon the outcomes of the financial and environmental planning efforts and covered under separate scope. Feasible alternatives developed in this plan will be utilized as critical financial inputs into the Financial Feasibility Analysis scheduled to be ongoing during this effort.

The primary goal of this effort is to determine how to maximize the financial value of the airport site so that the monies from the sale of the land could be used to help pay for a replacement airport. It is also important, for purposes of maximizing the value from the sale of the land, that the integration of airport lands into the City of Hailey and surrounding communities be evaluated in a holistic way, considering the resort economy that exists, and other community/economic functions that are related. The basic intent of this effort recognizes that the highest economic return will be gained if the community is engaged in a robust effort to help develop a vision for the airport land that complements other community initiatives.

#### **INTRODUCTION**

The Friedman Memorial Airport is located on approximately 210 acres in the City of Hailey, Idaho. The existing Airport is the primary airport providing commercial and general aviation air services for the Wood River Valley of Idaho, including the communities of Hailey, Bellevue, Ketchum, Sun Valley, and Carey. It is located at the southern limits of the City of Hailey, north of the City of Bellevue.

Of the 210 acres that comprise the existing airport, approximately 130 acres are jointly owned by the City of Hailey and Blaine County. The other 80± acres is a gifted parcel controlled by the Friedman Family Trust. Acreages will be validated against recently completed legal surveys provided by the FMAA.

In order to respond to existing and future demands, plans are underway to build a replacement airport away from the Valley and to redevelop the existing airport land as a mixed-use development that could have a variety of land uses including light industrial, institutional, residential, retail, community elements, and other related uses.

This assignment calls for the consulting team to develop a plan that will maximize revenues from the sale of the existing airport property. To realize the maximum financial gain, it is also incumbent on the consultant team to determine how that will fit into the overall context of downtown Hailey and the surrounding areas, as they relate to the redevelopment goals for the existing airport. This includes a strategy for the reuse of the existing facilities, and an informed implementation plan relative to market demand, phasing, timing, and financing.

Such a plan shall create a new vibrancy for the City of Hailey and Blaine County that complements but does not compete with downtown Hailey. This plan must be integrated with and connected to the nearby river, creeks, canyons, roads, the Wood River Trail System, the downtown, and surrounding neighborhoods. The strategy considers the airport property as a whole entity regardless of the land ownership pattern to ensure that an integrated and comprehensive planning approach for the entire land parcel is realized. It is also understood that revenue from the sale of the airport property, for at least the acreage of land that is owned by the City of Hailey and Blaine County, must provide the highest and best use return for the community, as the revenue generated is required to be used to offset costs of the proposed replacement airport.

A set of goals has been identified by the community and the FMAA in recent public workshops and resolutions to help guide the planning for the reuse of the airport property. They include the following:

1. Maximize the revenue generated from the sale of airport property so that it can be used to help pay for the replacement airport.
2. Craft a plan that is integrated with and complements the existing neighborhoods and land use goals while creating a new vibrancy that creates a new "neighborhood" and does not compete with the downtown.
3. Ensure proposed neighborhoods and land uses are seamlessly connected to existing neighborhoods and the downtown.
4. Create a diverse mixed-use neighborhood that incorporates a range of appropriate densities with varying building heights, lot sizes, and building forms.
5. Ensure a diversity of housing opportunities is offered and is economically feasible.

6. Create a well developed "public realm" that integrates the existing open space framework with an extended new framework that includes neighborhood gathering places, passive and active recreational space, and access to the surrounding regional natural environment including rivers, creeks, and canyons.
7. Identify appropriate energy and resource conservation policies for future land uses that might include gray water systems, high performance building systems, geothermal heating and cooling, and/or opportunities for adaptive reuse of existing buildings.

## SCOPE OF SERVICES

The primary objective of this study is to define an economic and market driven vision for a redeveloped Friedman Memorial Airport ( **Existing Airport Land or "EAL"**) for the City of Hailey, Idaho. Such a vision shall be defined in a manner that maximizes revenue from the sale of the site, balanced against maximizing value to the community.

In brief, the vision is that of a mixed-use development that is complimentary to downtown and is fully integrated with surrounding streets, neighborhoods, open space, and trail systems. A main goal of this assignment is to integrate the redevelopment of the EAL with the policies and goals identified in the Hailey Downtown Strategic Plan. To accomplish this, the planning approach will look at the EAL as an integral component within the entire City of Hailey (**Planning Study Area**) for baseline characteristics with specific focus on the EAL as a special opportunity. This holistic baseline method is the only clear way to meet the City's stated goals of a seamless integration between the EAL and the existing City, while maximizing the value of redevelopment.

This study will be accomplished through the following nine elements:

### **Element One: Reconnaissance Analysis and Public Input**

Element One includes a thorough collection and review of all background information. This includes the City of Hailey's Downtown Strategic Plan, the Blaine County/Sustain Blaine sponsored Economic Strategy, and other available reports, maps, plans, and historical information related to the City of Hailey, the EAL, as well as the entire region. In addition, the team will conduct meetings with the City, the City's Planning Department, and other related entities and stakeholders as appropriate to understand past, present, and proposed planning policies responding to the City's Comprehensive Plan, Downtown Strategy, and Complete Streets Plan. The team will collect recommendations and the various visions for the Existing Airport Land. In conjunction with this, a preliminary market analysis and inventory of economic

and demographic data will be conducted to develop an initial understanding of the current market.

Concurrent with this process, the planning team will compile environmental information that would acknowledge local and regional patterns that might inform land planning responses within the EAL master plan. This would lead to the generation of opportunities and constraint maps while documenting existing baseline information, including property ownership, existing land uses and accesses, circulation, and any other relevant data for the EAL as well as its ties to the City of Hailey. Property ownership information will be provided by the FMAA. In addition, the team would review the success of past and current development projects while looking at their viability over time. We would also review local issues relevant to the planning effort.

#### **Element One Deliverables:**

- a. Project startup, development of contractual agreements with team members, organizational chart.
- b. Three-day site field trip including stakeholder meetings with various groups including the city leadership organizations as well as work sessions with Beth Robrahn, City Staff and the team. Time would also include site and regional field reconnaissance.
- c. Summary documentation of key issues, thoughts and recommendations from stakeholder meetings.
- d. Photographic documentation.
- e. Compilation of reports, maps, and other resource materials.
- f. Summary Opportunities and Constraints maps for the Airport Site. Compiled summary maps of the airport site documenting acreages, land ownerships, etc.
- g. Research periodicals, books, web sites, third party sources, and historical archives to fully understand the current and past context of the Planning Study Area (Downtown Hailey, surrounding neighborhoods, and the EAL).
- h. Reach an understanding with the City and the Planning Department to determine specific areas for study in the airport, downtown, and the surrounding areas.

#### **Element Two: Development of a Preliminary Planning Framework and Identification of Potential Land Use Strategies**

To realize the goals stated above, this element includes refinement of any studies previously produced for the EAL in order to create a distilled vision of a vibrant neighborhood that expresses the life styles, entertainment, technology, and culture of the community. The planning team, with support from the City of Hailey Planning Department, will create a variety of preliminary scenarios and alternatives for the EAL. Scenarios will identify potential market strategies that are rooted in this market area as well as uses that may not have been considered previously. These uses will not only be geared for the City of Hailey, but for the

greater Blaine County area as well. These scenarios will be developed in words, bubble diagrams, and photographic studies.

**Element Two Deliverables:**

- a. Preliminary concept ideas, scenarios, and alternatives.
- b. Internal team work sessions.
- c. Preliminary opportunity diagrams, potential land use bubble concepts, and linkages between the airport site and the City of Hailey.
- d. Summary report with a description of the preliminary merchandising strategy for the EAL. Such report shall also note the overlap of proposed uses, if any, between the EAL and downtown Hailey.
- e. Submit a draft report to the City and conduct a follow-up conversation to discuss and refine the recommended concepts.
- f. Internal team work sessions with Hart Howerton, Village Solutions Company, and team in order to generate bubble diagrams of potential development sites and proposed uses for the airport and surrounding parcels to ensure that the sites can efficiently accommodate the proposed square footage, required building depths, public circulation, parking requirements, and integration with the surrounding areas.

**Element Three: Site and Economic Analysis**

Based on these preliminary concept scenarios, extensive site and economic analysis will be completed for the EAL and downtown Hailey. This research will be based on an audit of any previous economic or marketing studies of downtown Hailey and the County (including the City of Hailey Downtown Strategic Plan and the Blaine County/Sustain Blaine Economic Strategy), as well as a collection of current socioeconomic data to include lifestyles, consumer buying power, households and household make-up, incomes, daytime work population, current industry and manufacturing supply and demand, rent profile, existing visitors, and potential visitors to both the downtown and the EAL.

Once the community goals and preliminary vision have been set and the site and economic analysis completed, proposed uses will begin to emerge as potentially viable strategies for the EAL. Next, target areas will be evaluated with a listing of the preferred land use strategies, large and small, including any retail, residential, commercial, recreational, and industrial concepts, uses, and experiences – those that meet the vision of the community. At the conclusion of the phase, a detailed list of proposed uses will be presented along with word diagrams that further explain the recommended direction of the Existing Airport Land. Additionally, a collection of images will be created for the Existing Airport Land, filled with potential images responding to any proposed land uses including housing, retail, industry, institutional, restaurants, and any other land uses that begin to emerge. Conclusions to the site

and economic analysis and the various land use scenarios will be reviewed with the City Planning Department at periodic intervals within this process.

The site and economic analysis shall be focused on determining the highest and best use of the existing airport property. Such research shall examine the potential for the following:

1. Commercial uses to include hotels, office, light industrial, retail, and restaurants.
2. Recreation facilities to include athletic fields, jogging and walking trails, bike trails, community indoor facilities, fitness clubs, and other related entities.
3. Residential uses to include single family homes, condos, and apartments.
4. Civic institutions.
5. Adaptive use of existing facilities.

**Element Three Deliverables:**

- a. Create baseline data of existing uses (civic uses, recreational, commercial uses, and residential uses) for the City of Hailey and the surrounding communities.
- b. Charts showing 10 year market potential for each major use.
- c. Projected capture rate for the proposed uses over a 10 year period.
- d. Define a trade area for the City of Hailey and the EAL, consisting of a primary and secondary market.
- e. Identify the various potential segments that fall outside of the trade areas which may reasonably attract sales on an on-going basis.
- f. Define the potential trade area for downtown Hailey and the EAL.
- g. Estimate the potential for retail and residential land uses for the Planning Study Area.
- h. Estimate the total potential for retail within the Planning Study Area.
- i. Supportable Square Footage: Estimate the square footage of commercial space, which can be supported by the EAL in consideration of the downtown strategic plan.
- j. Model various square footage and anchor scenarios for the EAL in consideration of the downtown strategic plan to determine the optimum configurations.
- k. Recommend an optimum square footage for various uses within the EAL.
- l. Recommend adjustments to the previous studies in order to increase or decrease the supportable square footage of residential, office, retail, restaurant, recreational, and entertainment space.
- m. Distribute the recommended total square footage over various categories (i.e. condos, apartments, retail, restaurants, entertainment, recreational, and light industrial) and by location (downtown, surrounding areas, and EAL).
- n. Obtainable Revenue: Estimate the rent per square foot or sales price per square foot, which can be supported by proposed developments within the Existing Airport Land.

- o. Estimate apartment rents or the sales per square foot for residential developments within the EAL.
- p. Estimate office rents which may be realized in new developments proposed for the EAL.
- q. Estimate industrial and warehouse space which may be supported by the Planning Study Area.
- r. Estimate the obtainable commercial rents on a space-by-space basis for the EAL. Such estimation will account for the size of the space, location, and the ability of use types to pay rent based on gross margins and industry rent to sales ratios.
- s. Competitive Analysis:
  - 1) 1. Analyze the competitive environment of the Planning Study Area, in order to support the capture of market share, sales, and rents.
  - 2) 2. Estimate sales and rents of existing uses and proposed.
- t. Culture, Consumer Lifestyle, and buying characteristics: Conduct an analysis of the existing Hailey lifestyles and buying characteristics as follows:
  - 3) 1. Research the needs and wants of the marketplace.
  - 4) 2. Determine the lifestyle and life stage make-up of the consumer most likely to live, work, shop, and visit the redeveloped Airport land and downtown Hailey.
  - 5) 3. Define various consumer clusters which may patronize the Planning Study Area in terms of their existing life styles and buying characteristics.
  - 6) 4. Define consumer needs which are not being met in the existing market.
- u. Predictive Analysis: Conduct a future trends analysis of the Planning Study Area as follows:
  - 7) 1. Define potential changes in the Planning Study Areas' consumers.
  - 8) 2. Define new office, commercial, industrial, retail, and residential trends that may be appropriate for the Planning Study Area.
  - 9) 3. Define retail uses that will appeal to the future Hailey resident.
- v. Test various land use scenarios for acreage size and yield, think sessions, and distillation of research findings.
- w. Researching appropriate land use images.
- x. Generate a power point presentation of background materials, preliminary land planning findings, and diagrams in concert with the site and economic analysis findings.
- y. Determine total proceeds from sale of EAL.

#### **Element Four: Project Meetings**

This element includes several project meetings (combined into one trip) to present the findings of the Site and economic analysis to FMAA staff, City Planning Department staff, City of Hailey, Blaine County and FMAA.

#### **Element Four Deliverables:**

- a. Trip to Hailey to present and gather input on the Site and economic analysis.

- b. Internal team work sessions.
- c. Summary booklet at 8 1/2 x 11 of power point presentation.

#### **Element Five: Development of a Schematic Master Plan**

Based on the outcome of Element Four and summary of public responses, a preliminary schematic master plan for the EAL will be created. This step begins with the refinement of the land use diagrams along with the identification of circulation and transportation strategies. Within these diagrams, we will explore (for purposes of defining "context") vehicular and pedestrian/ bicycle circulation, layout of land uses, block patterns, density approaches, open space and community recreational opportunities, key resource areas, proposed improvements to existing downtown Hailey, connectivity between all new components and existing neighborhoods and areas, as well as approaches for the overall landscape character and the qualities that make it a "place". The intent is to define the optimum density and placement of buildings and uses derived from the economic, environmental, and cultural information that has been gathered. Through progressive steps, the rough conceptual plans move from diagrams to more defined connected areas and finally to schematic outlines of the proposed uses and buildings within the EAL.

The site plan, land use plan, and the site and economic analysis become the basis of a strategic master plan for the existing airport and its redevelopment.

#### **Element Five Deliverables:**

- a. Development of land use plan alternatives in response to analysis and research.
- b. Generation of a comprehensive master plan for the EAL that includes vehicular circulation, trail systems, open space concepts, landscape concept, etc.
- c. Larger frame plan that incorporates all study areas.
- d. Internal team work sessions and communications.

#### **Element Six: Financial Model Testing, Adjustments, and Final Master Plan Concept Development**

Next, proposed uses are placed on the master plan for the EAL and a value is assigned to each use, to each space, and to each land parcel. The planning team then creates financial models to test the viability of the proposed uses. Concurrent with that, the physical plan becomes more refined with more definitive land patterns, densities, and land uses, as well as a comprehensive open space framework that connects the existing community with the EAL and to the regional landscape framework. Finally, the entire plan is revised based on economic findings, site and economic analysis conclusions, and the shared vision of the community. A final master plan ultimately emerges that represents the best of all of the various alternatives and ideas, supported by a viable economic market strategy. Support maps, summary of acreages and land

use yields, diagrams, images, and sketch drawings will be developed to describe a new vision for the EAL.

#### **Element Six Deliverables:**

- a. Development of adjusted land plan based on financial model testing. Alternative solutions may occur. This proposal includes three alternative solutions.
- b. Development of final master plan and creation of a rendered master plan concept plan for the preferred alternative.
- c. Summary land use plan breakdowns including acreage and yield for the three solutions.
- d. Sketch perspective renderings and images will be generated to support the EAL master plan.
- e. Internal team work sessions and communications.
- f. Produce a written report summarizing the findings and conclusions of the research to include the following:
  - 1) Written summary report, consisting of approximately 35 pages, on the EAL potential (i.e., Planning Study Area sales, rents, land values, and supportable square footage).
  - 2) Maps indicating the trade areas and market sectors for the Planning Study Area.
  - 3) Charts indicating the demographics, sales potential, capture rates, and sales potential of the Planning Study Area.
  - 4) Charts indicating the square footage of rentable space, which can be supported by the primary, secondary, and visitor markets.
  - 5) Charts indicating the retail, commercial, and apartment rent per square foot, which can be supported by the Planning Study Area.
  - 6) Two page description of non-residential target consumer segments for the EAL (i.e., hotel guests, daytime workers, and tourists).
  - 7) Descriptions of target consumer groups with an analysis of their buying and lifestyle characteristics for the EAL in concert with existing downtown targets.
  - 8) A three to five page refinement of the optimum market position of the Planning Study Area, based on site and economic analysis.

#### **Element Seven: Public Presentation and Final Reports**

With the generation of an operative financial model, final Master Plan, and support graphics, the team will present the overall findings to the City of Hailey, Blaine County, the FMAA, the public, and all relevant stakeholders. Several smaller stakeholder presentations are also anticipated while the consultant team is on-site.

The summary report will be completed immediately following the public presentations incorporating all relevant financial analyses as well as conclusions and recommendations. In addition, a master plan booklet will be prepared that will be a compendium of the master plan,

comparative images, perspective renderings, and all relevant data to support future use of the plan.

**Element Seven Deliverables:**

- a. Development of a power point presentation
- b. Trip to Hailey to present the plan in a Public meeting
- c. Individual stakeholder work sessions
- d. Generation of Final Summary Reports at 8 ½ x 11

**Element Eight – Implementation Options and Phasing**

*Implementation Options and Phasing*

At the point that the master plan becomes solidified, the team would begin a parallel process to identify implementation and phasing options to determine different opportunities for maximizing the revenue for the potential new airport. These options would analyze the existing airport property relative to the proposed redevelopment strategy to do the following:

1. Determine highest and best use of the airport property on a parcel by parcel basis consistent with the master plan.
2. Determine the optimum strategy to dispose of the property in order to obtain:
  - a. The highest value for the property if sold as a whole and complete entity.
  - b. The highest value for each parcel if sold on a parcel by parcel basis.
  - c. An expedited sale of the existing property
3. Determine the optimum strategy for disposal based on one of the following methods:
  - a. Sell the land to a horizontal land developer who will demolish existing improvements and put in the streets, gutters, sewer, and utilities and then market the property on a parcel by parcel basis following the approved master plan approach.
  - b. Sell the entire airport property to a vertical developer who will develop the site and build the vertical improvements following the approved master plan approach.
  - c. Engage local and regional brokers to market the property consistent with the horizontal and vertical strategies determined above.

- d. Self market the properties through regional and national level advertising and a staffed on-site marketing office.
4. Develop a phasing plan with the following:
    - a. 5 to 10 year build out of the property
    - b. Projected annual cash flow from a 5 to 10 year build-out.
    - c. Re-investment strategy to build streets, gutters, sewers and utilities and other related improvements as the land is sold on a parcel by parcel basis.

#### Element Eight – Deliverables

1. A range of options for the highest and best uses of the land with a preferred alternative
2. Summary of options for positioning the various parcels within the property as part of the disposal process
3. Summary of options for how the property could be phased including a range of costs with these options.

#### Element Nine – Test Marketing – (Locally Funded)

Upon substantial completion of Element Seven and concurrently with Element 8, Village Solutions with support from Hart Howerton shall begin on a preliminary level, the testing of the real estate strategy by investigating interest in the property on a local, regional and national basis to determine potential land use options, suggested adjustments to the plan, as well as preliminary evaluation of the value of the property.. These efforts shall include the following:

1. Development of a data base of prospective developers, brokers, and property agents who may have input to add to the plan and land valuation Process.
2. Communications with potential outside parties to include brokers, agents, and buyers.
3. Production of a power point presentation and an information document for use with interested parties.
4. Creation, production and placement of newspaper solicitations in local, regional and national newspapers.
5. Preliminary follow-up with outside parties to verify interest in the property, review suggested adjustments to the plan, and gain an understanding of the value of the property.

Efforts developed as part of this scope will not include a formal Public Solicitation. However, to test the market for level of interest, informal market solicitation is prudent and covered within this proposal. Upon proof of concept, and Notice to Proceed from the Sponsor, a Public Solicitation for the preferred redevelopment program would occur in later phases based upon the information gathered in this process. Details of that effort will be quantified under separate scope as additional information is available.

Based on everything gathered from the work effort described above, a presentation of findings would be developed and presented in one combined presentation to interested parties, in the beginning of February, 2011.

### **Element Nine Deliverables**

1. Color coded land plan (parcel map, land value map)
2. Written summary of the implementation plan.
3. Projected income / cash flow from the disposition of parcels.
4. Supervision and direction of the production of an 8 page solicitation document in an 11 x 17 format to include text, graphic design of maps, schematic master plan, photographs, and schematic drawings of the proposed redevelopment.
5. Research potential brokers to assist in testing the proposed plan with outside parties.
6. Distribution of the solicitation document to interested parties.
7. Production of a Power Point Presentation for solicitation of prospective parties that have interest in the property.
8. Production and placement of a 1/8<sup>th</sup> or 1/16<sup>th</sup> page newspaper ad for local, regional and national news papers.
9. Adding to the Replacement Airport web site to provide additional information related to the repositioning of the airport property.
10. Follow-up with outside parties that have interest in the property and review land use options as well as suggested adjustments to the plan and the potential value of the property as needed.
11. Presentation of deliverables and findings.

# City of Hailey

PLANNING DEPARTMENT

115 MAIN STREET SOUTH  
HAILEY, IDAHO 83333

(208) 788-9815  
Fax: (208) 788-2921

July 13, 2010

Barry Luboviski  
PO Box 1172  
Ketchum, ID 83340

**FILE COPY**

Dear Barry:

Earlier this year the Hailey Planning Director circulated a recommended process, draft RFQ and guiding principles among the City of Hailey, Blaine County and FMAA in an effort to formally start the master planning process for the future redevelopment of the current airport site.

The recently executed agreement between the City, County and FMAA, "Agreement for Development of the Replacement Airport and Redevelopment of Friedman Memorial Airport", designates the responsibility to oversee the master planning of the current airport site to the City. However, the City is reliant on the FMAA to pay for the planning.

The City understands that FMAA has assessed its responsibilities and constraints under FAA diversion of funds rules to determine under what conditions it could fund the redevelopment master plan. FMAA then suggested the best way to maximize the opportunity to be reimbursed was to use the Mead and Hunt consulting team selected for Program Management Services for the new airport site. It has been explained to the City Council that the RFQ for Program Management Services included a component related to planning the future redevelopment of the current site and the team selected includes the planning services of Hart Howerton, Aviation and two local firms Ruscitto/Latham/Blanton Architectura and Power Engineers.

The City Council further understands that the master planning of the current site and eventual rezone of the property is integral to the airport relocation project. The City Council recognizes the advantages of using the team already in place are that they are highly qualified, ready to start, and understand the interconnections with the new airport development process. In addition, the City Council understands by using the team already in place, FMAA can more comfortably commit funds to pay for the work under the existing arrangement with FAA.

In response to your letter dated July 12, 2010, to proceed with the master planning process, the City anticipates one or more agreements regarding roles and funding will be required as formal documentation. Concurrently, the City requests that FMAA ask Mead and Hunt to develop a detailed scope of work for the project in coordination with the Hailey Planning Director who will serve as the project lead. The detailed scope of work can then be approved by the City, County and FMAA.

The City looks forward to FMAA's response and collaboration on this important project.

Sincerely,



Beth Robrahn  
Planning Director

cc: Mayor Rick Davis  
Rick Baird, FMAA

LUBOVISKI, WYGLE, FALLOWFIELD & RITZAU, P.A.

ATTORNEYS AT LAW

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JANET C. WYGLE  
ROBERT I. FALLOWFIELD  
LEE RITZAU

July 12, 2010

Ms. Beth Robrahn, AICP, Planning Director  
City of Hailey

115 Main Street South

Hailey, ID 83333

Sent via US Mail and email to: [beth.robrahn@haileycityhall.org](mailto:beth.robrahn@haileycityhall.org)

Re: *Friedman Memorial Airport Site Redevelopment*

Dear Ms. Robrahn:

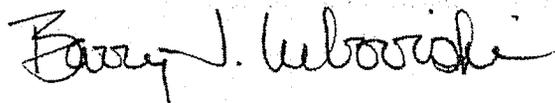
I represent the Friedman Memorial Airport Authority and in that capacity I am writing to inform you that the Authority would like to begin the process to master plan the airport site as a mixed-used development. It is the Authority's intention to create an economic and physical plan for the redevelopment of the existing airport site that will maximize profit from the sale of the site, to be used for the construction of the new airport, while developing the existing site in a manner which compliments neighborhoods adjacent to the site and does not compete with the downtown area.

To that end, the Authority is making this inquiry to determine what financial and/or professional planning assistance the Authority can provide to the city in order to properly develop a master plan for the redevelopment of the existing site.

If you should have any questions or if I can provide any further information, please do not hesitate to contact me or Rick Baird at your earliest convenience and thank-you for your assistance.

Sincerely,

LUBOVISKI, WYGLE,  
FALLOWFIELD & RITZAU, P.A.



Barry J. Luboviski

BJL/rw

cc: Friedman Memorial Airport Authority

## Beth Robrahn

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**From:** Martin Flannes [mflannes@totusadvisors.com]  
**Sent:** Tuesday, September 21, 2010 4:02 PM  
**To:** Heather Dawson  
**Cc:** Rick Davis; Beth Robrahn; Ned Williamson; 'Jay Sfingi'  
**Subject:** Totus Advisors comments re airport redevelopment work  
**Attachments:** image001.jpg

Heather,

Thank you very much for arranging the meeting last Thursday with you, Beth, and Ned. Jay and I appreciated the generous amount of time that you spent with us discussing the current status and proposed course of retaining consultant(s) regarding the redevelopment of the current airport site.

Totus Advisors remains interested in providing services to Hailey on certain airport redevelopment topics. We have reviewed the 12-page "Preliminary Draft Scope of Services – Airport Redevelopment Market Analysis and Master Plan" ("Scope of Work") and – pursuant to our discussions last week – without any attempt to edit or re-write the Scope of Work, we offer the following comments.

The Scope of Work shows a great deal of thought and seems to identify most of the issues and tasks. However, we feel that certain issues and tasks have been omitted, perhaps because of a desire to have one entity perform the entire scope.

- For example, we think that any decision on land use must take into account possibly conflicting interests of certain stakeholders and that the Scope of Work should include a process to resolve such conflicts. The FAA wants maximum value for its land (see Goal #1 "Maximize the revenue generated from the sale of the airport property so that it can be used to help pay for the replacement airport"). The reversionary interest holders of the non-FAA land might have other ideas regarding appropriate neighboring uses. And, Hailey certainly has strong views regarding land uses that it would consider acceptable relating to both the FAA and non-FAA land. Finally, Blaine County might have views relating to control of the process that also must be balanced.
- Also, the Scope of Work does not include any study to identify or any process to resolve physical problems (Environmental Site Assessment, demolition, clean-up, etc.) or title problems.

Additionally, the timing of the work – perhaps because of the need to educate an out of the area firm – does not seem designed to deliver a range of FAA land values in a timely manner.

Totus Advisors sees the following basic four tasks and would be interested in performing the two tasks and one sub-task as indicated:

1. (Totus Advisors) Work with Hailey P&Z staff to develop several land development scenarios (bubble map level of detail).
2. (Totus Advisors) Analyze each scenario in a rigorous market study to arrive at a range of values for the FAA and non-FAA land.

3. (other firm) Conduct a public outreach process on the scenarios, which could then lead to public hearings
4. Implementation
  - a. (other firm) Marketing.
  - b. (Totus Advisors) Prepare property for disposition (including ESA, demolition, clean up, title issues, negotiating agreements, etc.).

Totus Advisors ([www.totusadvisors.com](http://www.totusadvisors.com)) has extensive private sector land planning, financial planning, project management, land use, and development experience and would be a valuable resource for City staff. Totus Advisors is also a local firm; so, the FAA grant paying for these services would stay in the valley.

If the City of Hailey would be interested in editing/dividing the Scope of Work as indicated above, Totus Advisors would be happy to submit a more detailed scope of work proposal, including a proposed fee (which we noted was missing from the current Scope of Work).

Again, thank you for your consideration.

Regards,  
Marty

Martin A. Flannes  
General Counsel

**TOTUS** | Advisors

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AGENDA ITEM SUMMARY

DATE: 9/27/2010

DEPARTMENT: Legal

DEPT. HEAD SIGNATURE: \_\_\_\_\_



**SUBJECT:**

Memorandum of Understanding (Planning for Redevelopment of Friedman Memorial Airport Site)

**AUTHORITY:**  ID Code \_\_\_\_\_  IAR \_\_\_\_\_  City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

I am enclosing a proposed Memorandum of Understanding ("MOU") between Hailey and the Airport Authority ("FMAA"). This MOU is designed to address the financial responsibility for redevelopment of the Friedman Memorial Airport. Except for work beyond the scope of services, FMAA will be responsible for the expenses of the redevelopment planning. The Council will be reviewing the scope of services at the same time as this MOU.

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 the MOU and authorize the mayor to sign.

**FOLLOW-UP REMARKS:**

**MEMORANDUM OF UNDERSTANDING**  
PLANNING FOR REDEVELOPMENT OF  
FRIEDMAN MEMORIAL AIRPORT SITE

1. The City of Hailey (“City”) and the Friedman Memorial Airport Authority (“Airport Authority”) have separately entered into an “Agreement for Development of the Replacement Airport and Redevelopment of the Friedman Memorial Airport,” dated June \_\_, 2010, which sets forth the City’s, Airport Authority’s and Blaine County’s respective obligations and responsibilities in the planning for the replacement airport and for redevelopment of the existing airport site.
2. The City and Airport Authority have determined that it is most appropriate, and that it will optimize the usefulness of a plan, if the redevelopment plan considers the *entire* existing airport site without regard to ownership of specific parcels. Both the City and the Airport Authority understand that a practical redevelopment plan is integral to the airport relocation effort since the proceeds from the sale and redevelopment of the existing site will provide an important revenue source for development of the replacement airport.
3. The City and Airport Authority have decided that it is prudent to retain a consultant to assist in the planning for redevelopment of the existing airport site.
4. The City and Airport Authority have jointly decided that it is in their mutual interest to retain the same team to assist in redevelopment planning as is currently engaged in program management services for development of the replacement airport. The Mead & Hunt team (which includes, among others, the firms of Hart Howerton, Jviation, Ruscitto/Lantham/Blanton Architecture and Power Engineers) was selected by the Airport Authority according to procedures approved by the Federal Aviation Administration (“FAA”) for planning and professional services funded by federal grant funds. The Mead & Hunt team has expertise necessary to prepare a redevelopment plan that considers the needs of both the City and the Airport Authority.
5. The Airport Authority has determined, and FAA staff has concurred, that the redevelopment planning effort will provide an essential direct input necessary for the financial feasibility analysis that is being prepared for the replacement airport.
6. The redevelopment planning effort will be scoped as a separate set of tasks under the Airport Authority’s work order and contract with the Mead & Hunt team. The scope of work and direction to the Mead & Hunt team for the redevelopment planning tasks will provide that:

- a. The Mead & Hunt team coordinate closely with the City;
  - b. The Mead & Hunt work product will be equally accessible to City and City staff and Airport Authority staff;
  - c. The Mead & Hunt staff will take direction on these tasks jointly from Rick Baird and Beth Robrahn;
  - d. The principle underlying the redevelopment planning effort is to maximize the financial return upon sale of the existing airport site but to do so in a manner that is sensitive to the City's needs, policies and objectives.
7. The Airport Authority will fund the redevelopment planning effort to the extent allowed by applicable law and regulations.
  8. The Airport Authority will be responsible for all contractual and financial matters relating to the Mead & Hunt team and will be responsible for compliance with applicable FAA requirements and advisory circulars for FAA grant-funded projects.
  9. While it is expected that the scope of work for the Mead & Hunt team will include all tasks that the Airport Authority and the City need for a redevelopment plan, it is possible that the City may request additional work that is needed only by the City or that is not eligible for FAA grant funding. If the City requests such additional tasks, Mead & Hunt will separate those tasks on their invoice so the Airport Authority can make arrangements for payment from the City.
  10. The City will be primarily responsible (with assistance from the Airport Authority, as needed) for coordination with the Friedman family interests and for public outreach and solicitation of public input into the redevelopment planning effort.
  11. In the event of any disagreement between or among the City, the Mead & Hunt team or the Airport Authority over the redevelopment planning effort, Rick Baird and Beth Robrahn will be responsible for meeting and resolving any dispute in a manner that respects the City's crucial role in this effort but complies with applicable FAA directives, policies or advisory circulars.
  12. The final redevelopment plan will become the joint property of the City and the Airport Authority upon completion.

IN WITNESS WHEREOF, the City and Airport Authority having been duly authorized, have hereunto caused this Memorandum of Understanding to be executed, on the day and year first above written.

CITY

By

Richard L. Davis, Mayo

Attest:

Mary Cone, Clerk

AIRPORT AUTHORITY

By

Tom Bowman, Chairman