



**JOINT MEETING OF THE KETCHUM CITY COUNCIL  
AND KETCHUM COMMUNITY DEVELOPMENT CORPORATION**  
Tuesday, May 6, 2014, beginning at 12:00 p.m.  
480 East Avenue North, Ketchum, Idaho

**Council Present:** Ketchum Council President and KCDC Board Member Michael David  
Ketchum Councilor and KCDC Board Member Jim Slanetz  
Ketchum Councilor Baird Gourlay

**KCDC Present:** KCDC Board President Neil Bradshaw  
KCDC Board Secretary Jan Hegewald  
KCDC Board Member Charles Friedman  
KCDC Board Member Toni Bogue  
KCDC Executive Director Jon Duval

**Also Present:** Ketchum Interim City Administrator Ray Silver  
Ketchum Director of Planning & Building Joyce Allgaier  
Minutes written by Ketchum Recording Secretary Sunny Grant

1. The meeting was called to order by Council President Michael David at 12:08 pm.
2. COMMUNICATIONS FROM COUNCILORS and KCDC Board members.

No comments at this time.

3. **DISCUSSION OF KETCHUM COMMUNITY DEVELOPMENT CORPORATION'S ROLE REGARDING KETCHUM'S 2014-15 BUDGET OBJECTIVES 5: RESTRUCTURE ECONOMIC NON-GOVERNMENT ORGANIZATIONS TO MORE EFFECTIVELY USE AND COORDINATE RESOURCES.**

KCDC President Neil Bradshaw said the KCDC organized this meeting to discuss the FY2015 KCDC budget. Bradshaw would like to schedule a follow-up joint meeting for Ketchum city officials to take the lead in giving the KCDC direction for the upcoming year.

KCDC Executive Director Jon Duval led discussion of the KCDC's FY2015 budget:

**Income:**

- Ketchum Innovation Center (KIC)'s budget is now included in the KCDC budget. KIC rent units are 100% pass-through from tenant to landlord.
- 3% administration fee from Idaho's Bounty.
- Cash flow from Northwood Place decreases as the building ages and expenses increase.

**Expenses:**

- KCDC office rent was \$440/month in the Starbucks building and is now \$100/month in the KIC building.
- Office supplies/taxes/telecommunications. If Ketchum gets fiber optics, KIC will have to figure out how to pay to install fiber optics in the KIC building. The monthly telecommunications budget line item may increase.

**Projects:**

- The KCDC and Ketchum Parks have discussed putting in a parcourse and dog park in five-acre Northwood Park. Ketchum Councilor Baird Gourlay suggested the park could also have a mountain bike skills course. The KCDC has budgeted funds. The Board discussed if the KURA could fund the park.
- Ketchum Innovation Center (KIC) ongoing.

The KCDC budget has been flat the last four years. The only increase this time is for KIC. Every dollar the KCDC has received from Ketchum has been substantially leveraged.

Ketchum Interim City Administrator Ray Silver said Ketchum's General Fund is already short. The LOT is coming in lower, so the General Fund will probably have to cover some of the LOT shortcoming. The FY2014-15 budget is challenged, probably due to last summer's Beaver Creek Fire and last winter's lack of snow. Ketchum has money

budgeted for special events, the River Park, Mountain Rides, etc. Silver said the Sun Valley Marketing Alliance has to market Kerchum because people don't know about it.

Ketchum Councilor Gourlay concurred that Ketchum is going to have a tough FY2015 budget. He said the URA and KCDC were founded with the understanding that the URA would be the major funder of the KCDC.

- Board Member Michael David suggested they discuss affordable housing funding with the URA. KCDC Executive Director Jon Duval said the need for housing wasn't going away, and there was an ongoing battle to figure out how to get construction funded. There are two local housing-related organizations—ARCH and BCHA, and funding is split between the KCDC and URA, but each focuses on a niche. ARCH and KCDC focus on development; and the KCDC is focused on Ketchum development. Bradshaw said the KCDC's current focus is on build-to-rent units using tax credits. Duval said the KCDC wanted to develop new affordable housing in Ketchum any way possible, but the only way to fund it currently was tax credits. The KCDC will continue to partner with GMC Development in tax credit funding.
- KCDC Board Member Jim Slanetz asked if KIC tenants could pay for utilities or other expenses.
- Councilor Gourlay asked what information KIC tenants were expected to submit to the KCDC to justify their subsidy; and what was expected of KIC tenants who were successful. Duval said they would probably consider "success" based on the number of employees. He said they would also ask a tenant who wasn't growing to make room for someone else. Bradshaw said the KCDC provided an amenity to Ketchum, and shouldn't be considered a money-maker. Duval said the only way for KIC to really make money was for the City to own the building.
- Board Member David said a big KIC benefit is a commitment to a younger demographic, particularly to people who grew up here and want to develop a business here.
- KIC has a three-year lease on its building, with an option to extend for three years. KIC can cancel the lease at any time, with no penalty.
- KIC now advertises itself mostly through events. Ketchum Director of Planning and Building Joyce Allgaier suggested Ketchum could include information on KIC in Ketchum's newsletter.
- Bradshaw said it should be fairly clear in a year whether KIC is a success or not. Councilor Gourlay said he thought \$3,000 was a worthy investment to bring or keep a young business in the area.


#### 4. ADJOURNMENT.

Councilor Baird Gourlay moved to adjourn at 1:15pm. Councilor Jim Slanetz seconded the motion, and it passed unanimously.



Michael David  
Council President

ATTEST:



Sandra E. Cady, CMC  
City Clerk