



**REGULAR KETCHUM CITY COUNCIL MEETING**  
Monday, January 21, 2014 at 5:30 p.m.  
Ketchum City Hall, Ketchum, Idaho

**Present:** Mayor Nina Jonas  
Council President Michael David  
Councilor Anne Corrock  
Councilor Baird Gourlay  
Councilor Jim Slanetz

**Also Present:** Ketchum City Administrator Gary Marks  
Special City Attorney Cheresé McLain  
Ketchum Community and Economic Development Director Lisa Horowitz  
Recording Secretary Sunny Grant

1. The meeting was called to order by Mayor Nina Jonas at 5:30pm.

2. **Communications from Mayor and Councilors**

- Mayor Nina Jonas introduced Councilors and members of Ketchum staff to the public.
- Councilor Jim Slanetz thanked the Parks Department for a great pond hockey tournament.
- Council President Michael David thanked Ketchum Law Enforcement for the job they do.
- Councilor Anne Corrock suggested Ketchum consider live screening Ketchum meetings. Staff will explore options, and may check into the ability to call in during meetings.

3. **Appointment of Ketchum Events Commission members**

Ketchum Parks and Recreation Director Jen Smith recommended that Ketchum Council confirm nominations of Kevin Jones (co-owner of Sawtooth Brewery), Ryan Kolquist (events coordinator in south Florida for eight years, and now manager of Whiskey Jacques and its entertainment), and Frank Fiaschetti (heavy events background) to the Ketchum Events Commission.

Councilor Baird Gourlay moved to appoint Kevin Jones, Ryan Kolquist and Frank Fiaschetti to the Ketchum Events Commission. Motion seconded by Councilor Jim Slanetz, and passed unanimously.

**COMMUNICATIONS FROM THE PUBLIC**

4. **Communications from the public**

Olympic Games in Sochi, Russia

*Also Present:* Idaho Chapter of United States Olympians and Paralympians Association President Dick Fosbury  
Sun Valley Ski Education Foundation/Nordic Olympic Training Site Exec. Director Rob Clayton

- Fosbury, on behalf of the Nordic Olympic Training Site, thanked the City of Ketchum for its support of families and friends of Olympians, coaches, and teachers in helping Olympic hopefuls realize their Olympic dream. Blaine County has two athletes going to the 2014 Olympic Games in Sochi, Russia; two others still competing to make the Olympic team; and two Paralympians likely to make the team. There will be a celebration to send off local Olympic athletes later this week at the beginning of the Nordic Festival.
- Phyllis Shafran said Council's meeting packet included a copy of the Urban Renewal Board's bylaws, but bylaws weren't on the agenda.

5. **Ketchum Innovation Center Proposal**

*Also Present:* Ketchum Community Development Corporation Executive Director Jon Duval  
Rick Lafave  
Sustain Blaine Executive Director Harry Griffith

Ketchum Community Development Corporation Executive Director Jon Duval presented the Ketchum Innovation Center (KIC). The KCDC supports Ketchum and the local community and their priorities, including development of a diversified year-round economy, assisting small businesses, and attracting smart, young new residents. The KCDC proposes a business incubator and accelerator program in partnership with Sustain Blaine, in a "hub" location that will bring together entrepreneurs, mentors, and investors in a single supportive space to facilitate collaboration and learning from each other as they grow. KIC welcomes interaction with all local businesses and wants to help them grow, which means more employees and a boost to the local economy and sustainability. KIC expects to attract new

residents and businesses through collaboration with organizations in and out of Idaho such as Boise State University Venture College and the Dent Conference. Duval presented KIC's first year budget.

The KCDC proposes the KIC be located in a large stone building in the Light Industrial area. The open floorplan is conducive to businesses working together. The owner will allow flexible rent if KIC will pay annual building expenses. KIC will partner with local companies to provide a fiber optic internet connection, office equipment, building tools for a workshop and office furniture, landscaping and other assorted services from tooling to design.

Interested entrepreneurs are expected to have a flexible business plan, business model and desire to help other entrepreneurs. KIC will provide hack nights, start-up weekends, a weeklong "boot camp" on how to start a business, business plan review and support, short-term space rental, a conference room open to the community, and a Dent Conference in Sun Valley in 2014.

Rick Lafave, who has started four venture incubators to date, supported the Ketchum Innovation Center hub, but didn't think it will work without some level of government support.

Sustain Blaine has been brainstorming about the incubator concept, and will partner with it.

The KCDC asked Ketchum for a service agreement and \$42,000 per year for the next five years. The contribution for the remainder of FY2014 would be pro-rated to \$28,000. The KCDC would enter into a lease with the property owner. There is no long term lease for the KCDC, or the individual tenants. Tenant rent is proposed at \$500 month plus \$100 month per employee. The building can handle about 15 people. If a business is growing well, they can move out.

#### PUBLIC COMMENT:

- Ryan Timmons is in the process of starting two e-commerce businesses. He thinks this mentorship process would help him and allow him to stay in the community.
- Greg Van Der Meulen works locally for a company located in New Jersey, but is starting his own company. His current location is isolated, and he'd like to be closer to other people so they can share talents and abilities with each other.
- Shawn Phillips said this concept is proposed with genuine concern for the economic vitality of the area, and an incubator hub is a good thing, but hub resources are already available for the price of a cup of coffee. He didn't believe it deserved \$200,000 of municipal funding, at least not until a more legitimate business plan is developed.
- Sheila Plowman said her business making organic snacks is growing quickly, which can be stressful and challenging. She goes to Boise every week for most of her business services; and would prefer to have a hub of local mentors and resources.
- Pam Colesworthy supported the concept. She started a business three years ago that might not have failed had she had the support this program offers. She thought the proposed \$500 rent was steep.
- Jima Rice said this was a no-brainer for Ketchum. The no-rent space is affordable; and \$42,000 annual request is reasonable. She questioned the \$500+ rent. Rice had an incubator for several years and charged \$40/month for a nice space where local entrepreneurs came together for lunches and speakers. Several of the businesses are now quite successful.
- Mickey Garcia said this was a great idea and Council shouldn't debate the small details to get it going. He encouraged Council to make an investment in the future.
- Charles Friedman commended the CDC on doing the work to make this investment opportunity affordable. There is no set rent for the building, so the rent can be reduced if necessary. Since Councilors all supported small business in their campaigns, this is a great opportunity to invest in small business.
- Aimee Christensen has been in business since 2005. When she moved to Ketchum four years ago, she found it difficult to find and hire local services. An incubation center is a great idea to help diversify the economy. Christensen said selecting the people on the advisory board is critical. She suggested value-added focus on companies that relate to expertise already in the valley, such as innovative new ski products.

Council President David recognized benefits beyond the office space. Rent can be adjusted if necessary.

Ketchum City Administrator Gary Marks said Council should be hesitant to make a multi-year commitment at this time; but recommended that Council consider a financial commitment for the incubator for this year at this time.

Councilor Jim Slanetz thought it was a worthwhile project to support for now and see where it goes. He suggested having the building full at \$250 rent would be better than having it half full at \$500 rent. Duval said they would re-evaluate rent when they see how things work out.

Councilor Corrock said the KCDC should become self-sustaining in the future. Perhaps, if the Ketchum Incubator Center is successful, there could be a cap on rent paid to the building owner, with the excess going to the KCDC. Duval said it would be hard to realize market rate rent on the building at this time, even if it's full. KIC is a non-profit effort to support and start businesses. Success would be realized if entrepreneurs move to and stay in Ketchum.

Councilor Gourlay asked if the KIC could find a less expensive location. Duval has researched all available locations for floorplan and expense, and this is a good deal on a perfect location. He thinks it will attract people from outside the area as well as locals; and the program will benefit all local entrepreneurs, including those not renting in the building.

Mayor Jonas was excited about bringing resources together and is willing to invest in an administrative structure. The KCDC will move its offices to the building.

Councilor Corrock was concerned about new businesses moving out of existing places to relocate to the building, if Ketchum is only willing to make a six-month commitment. She asked that the formal proposal contain language about KIC becoming self-sustaining.

Council President David said he was frequently asked how Ketchum was actually supporting small business. KIC is a good answer.

**Council President Michael David moved to authorize the expenditure of \$28,000 from the Contingency Fund to fund the KCDC to initiate a business incubator program, subject to reporting from the KCDC during the 2014/2015 budget process. Motion seconded by Councilor Baird Gourlay.** In discussion, Councilor Anne Corrock asked if Council should wait until the next regular Council meeting to give KCDC time to find a less expensive location. Duval reiterated that he'd looked at most spaces available and found very few that would work. **Roll call: Council President Michael David yes, Councilor Jim Slanetz yes, Councilor Baird Gourlay yes, Councilor Anne Corrock yes. Motion passed unanimously.**

## **6. Sun Valley Marketing Alliance Quarterly Report**

*Also Present: Sun Valley Marketing Alliance Chief Marketing Officer Arlene Schieven*

Sun Valley Local Option Tax (LOT) for October 2013 was up 2%; Ketchum was down by 6%, probably still a result of the Beaver Creek Fire. Accommodations in October, November and December were strong. Engagement indicators and website visits started slow but picked up in December, with year-to-date ending up at 21%.

There was no funding to market Boise, which subsequently decreased 6%. Marketing funding was moved to San Francisco to support the new flights, and results increased over 500%. San Francisco is now #2 in website visits. Seattle and Los Angeles are staying strong.

Social media is a small portion of the budget, but all indicators are up. Sun Valley is getting great media ratings, including Top 10 Best Family Destination. The Nordic Festival is the highlight of the Nordic campaign. Six journalists from across the country will be in Sun Valley in early March. The Visitor Model is comprehensive and will deliver a detailed breakdown of visitors and second home owners, how they arrived, etc. Stakeholder Outreach and Membership Drive continue.

The Summer 2014 budget will be set when funds come from the Air Service Board.

Ride Sun Valley has transitioned to an external producer, Mountain Sports International, and will be the third week of June. The US Marathon Nationals are in early July.

### **PUBLIC COMMENT:**

- Jerry Seiffert said it was important to keep downtown Ketchum vibrant to make the visitor experience in Ketchum's Downtown Core as pleasant as possible to keep LOT up. There may be no snow, but Baldy is skiing as well as it ever has; and Galena offers a Nordic trail system as good as any in the country. Ketchum needs to get people here the next eight weeks or the 2015FY budget will be very challenging.
- Sun Valley Marketing Alliance Co-Chair Marty Albertson said Olin Glenne and Steve Cannon had recently joined the SVMA Board. The Advisory Committee is looking for more participation from the business community.

Ketchum City Administrator Gary Marks said the Beaver Creek Fire caused a 4-5% hit on LOT tax collection. LOT tax had been trending up about 5% until the fire, and is only up about 3% now. It will hopefully improve through the rest of 2014.

The Marketing Alliance tries to get people to the website so they can see all Sun Valley has to offer, including activities other than skiing.

## **COMMUNICATIONS FROM CITY STAFF**

### **7. Discussion on Ketchum Urban Renewal Board Composition**

At its previous regular meeting, Ketchum Council extended the URA Board's two at-large Commissioners' terms for a couple months while Council discussed the composition of the URA Board.

Staff suggests Council consider two options: a five-member Board with two elected officials and three at-large positions; or a seven-member Board with three elected officials and four at-large positions.

Councilor Corrock said Council needed to settle once and for all the composition of the URA Board. The problem is that when elected officials resign from the Board, the URA Board appoints replacements, by State Statute, resulting in Ketchum losing elected official influence over the Board. Councilor Corrock suggested a third option was a five-member Board with only the Mayor elected official. She wanted the URA Board to be committed and consistent in attending URA Board meetings. The URA has one meeting a month, and there are usually missing Commissioners. Councilor Gourlay preferred a seven-member Board with a diverse selection of citizens, with at least one being a registered Ketchum voter. City Administrator Marks preferred a seven-member Board, to get a wide variety of expertise, and three elected officials to connect the URA to the City, especially since there is tax money involved. Councilors David and Slanetz agreed.

**PUBLIC COMMENT:**

- Phyllis Shafran complained about the spotty attendance of URA Board members.
- Jima Rice accused Council of making a procedural error at the previous meeting by appointing URA Commissioners Eagan and Peters for two months instead of elected officials elected at the November election, which meant there were nine members of the URA Board.

Special City Attorney Cheresse McLain said that procedure was correct in that citizen Commissioners' terms were only extended for two months. City Administrator Marks confirmed that all URA Board members' terms were staggered.

**8. COMMUNICATIONS FROM THE PRESS**

- Mountain Express reporter Eric Avissar asked if Councilor Corrock would prefer to see the Ketchum URA no longer exist.

Councilor Corrock responded no.

**9. Recreation and Public Purposes Project Update**

*Also Present: Kurt Eggers, Project Landscape Architect*

Ketchum Parks and Recreation Director Jen Smith updated Council on the River Park at Sun Peak BLM Recreation and Public Purposes Act (R&PP) project. The River Park's goals are habitat restoration, recreation enhancement and flood mitigation. There is also a proposed well site in the Sun Peak day area, trails and connectivity in the south parcel from Warm Springs to River Run.

The BLM paid Ketchum about \$2,500 annually to do minimal seasonal maintenance in the Sun Peak area until last summer. BLM no longer has the money to pay Ketchum for the maintenance.

The project's 60% Level Final Design was presented to the public, and many comments were received. The City's responses to the comment cards will soon be on the City's website. The Mayor signed the Change Order to pay for a FEMA Conditional Letter of Map Revision (CLOMR). Parking design is still being discussed and negotiated. Design meetings are ongoing until final design, expected this summer. Final design will include permitting through all jurisdictional agencies—Blaine County, Department of Water Resources, Army Corps of Engineers, Idaho Department of Environmental Quality, BLM; and engagement with all non-permitting agencies—Blaine County Recreation District, ITD, and Idaho Fish and Game; and will include construction documentation.

The revised Environmental Assessment was submitted to BLM on January 15, 2014. Once finalized by BLM, there will be a 30-day public comment period, concurrent with the 45-day comment period of the BLM Notice of Realty Action (NORA).

Smith has met with several Hulen Meadows residents. All written correspondence is shared with the BLM State Office.

Smith requested Council approval for the 60% level design work. Councilors expressed desire to keep the project moving. Fundraising and a framework for funding is being developed.

Councilor Corrock supports the whitewater park and other project goals, but wants to see and respond to citizen comments. Councilor Corrock also is concerned about future maintenance expense. Smith said the Management Plan is dynamic, as is the resource. S<sub>2</sub>O will monitor the whitewater park in operation. Ongoing high-dollar in-stream maintenance in the river and Hulen Meadows Pond will require endowments from the Wood River Land Trust, Ketchum, the whitewater community, downstream homeowners, Higher Ground, the Confluence Fund, etc.

**PUBLIC COMMENT:**

- Jima Rice distributed packets of information from a Hulen Meadows ad hoc committee, whose members don't agree with all parts of the plan. The packet includes a petition with 100 signatures. Rice said she'd heard there was misinformation about the project, and asked what the misinformation was. She said she'd seen no mention of Hulen Meadows residents' objections to the project. Rice thanked staff for posting maintenance figures on the website, although she didn't think they were all accurate.
- Fred Beguin also asked that staff explain what the misinformation was.

- Hulen Meadows resident Marc Longley approved of the project and encouraged Council to approve the 60% level design.

The design of the river park part of the R&PP project is roughly 60% done. Council approval of the 60% level design will move the project forward. There is still a lot of work to do, including all the permits, and negotiation of site plan, parking, etc.

**Councilor Baird Gourlay moved to accept the 60% design level documentation provided by S<sub>2</sub>O Design and Engineering on December 18, 2013. Motion seconded by Council President Michael David, and passed unanimously.**

Councilor Corrock requested a site visit for Council and staff.

#### **AGREEMENTS AND CONTRACTS**

##### **10. FY2013-14 Urban Forest Management Agreement with City of Hailey**

Parks and Natural Resources Superintendent Juerg Stauffacher said the cities of Hailey and Ketchum share a computer program that tracks the cities' trees. The two cities also share in other expenses regarding city-owned trees, including an occasional specialist consultant.

**Councilor Anne Corrock moved to approve the FY2013-14 Urban Forest Management Agreement with the City of Hailey. Motion seconded by Councilor Jim Slanetz, and passed unanimously.**

##### **11. Multiple Project Engineering Service Agreement and Task Order No. 1 for preparation of a bid package for turbo blower installation**

Ketchum Public Works Director Robyn Mattison said the City purchased efficient turbo blowers for the aeration process in early 2012 and finally received them. This contract will assist staff to prepare the construction packet to get a contractor to install the turbo blowers. Ketchum received eight responses to an RFP. A selection committee chose HDR.

**Councilor Baird Gourlay moved to approve the Multiple Project Agreement for a Professional Services Agreement with HDR, Inc. and Task Order #1 for turbo blower installation design assistance with a not-to-exceed cost of \$8,310.00 (half of which will be paid by the City of Sun Valley). Motion seconded by Council President Michael David, and passed unanimously.**

##### **12. CONSENT CALENDAR**

- a. Approval of minutes from the January 6, 2014 Council meeting
- b. Recommendation to approve current bills and payroll summary


**Council President Michael David moved to approve the Consent Calendar for January 21, 2014. Motion seconded by Councilor Baird Gourlay, and passed unanimously.**

##### **13. EXECUTIVE SESSION**

**Councilor Baird Gourlay moved to go into Executive Session to discuss the Supreme Court ruling and Firefighters Local Union #4758, City of Ketchum, pursuant to Idaho Code §67-2345 1(f) at 8:50p.m. Motion seconded by Council President Michael David. Roll call: Councilor Baird Gourlay yes, Council President Michael David yes, Councilwoman Anne Corrock yes, and Councilman Jim Slanetz yes. Motion passed unanimously.**

##### **14. ADJOURNMENT**

**Councilor Baird Gourlay moved to adjourn at 9:05 p.m. Council President Michael David seconded the motion, and it passed unanimously.**

  
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Nina Jonas  
Mayor

ATTEST:

  
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Sandra E. Cady, CMC  
City Clerk