

Lisa Enourato

From: HP Boyle <boylehp@yahoo.com>
Sent: Friday, December 24, 2021 12:28 PM
To: Participate
Cc: Greg Foley
Subject: Public Comment on Bluebird

Given the developer's intent to start construction in March, it behooves the City to protect itself against developer non-performance for Bluebird in the same way it does for other projects.

Before a building permit is issued,

- the City should satisfy itself that full and irrevocable financing is in place
- The City should receive a full budget and date of completion
- GMD should put up the usual performance bond

Already the City seems to be violating its much-discussed principal of no demolition permit until developer financing is in place. The City Planner, at the developer's request, has gotten KURA to pay for the demolition of City Hall. Yet, we have seen no public budget or disclosure of the financing package. This request was an additional request to the \$541k the developer has already secured from KURA.

Unlike private developments, Bluebird is a "private project on public land" (as the City Planner has called it) and relies heavily on public funds and subsidies. Thus all of this information should be made available to the public.

This project may be uneconomic for the developer in the current construction environment. GMD has already requested additional monies of KURA, and the City Planner indicated to KURA on 12/20 that she expects additional requests for money from the developer.

As Mr. Dunfield made clear at the May P&Z meeting, his firm would not be putting any money into Bluebird (indeed, he will be taking out a development fee, as he confirmed in his June open-house), and any cost overruns would be put to the City. Given that the cost overruns appear to be a clear and present danger to the project, the City should be protecting itself from this by limiting its exposure.

Even with free land, Bluebird is the most expensive affordable housing project in the history of Idaho (you can check that with IHFA), and is running multiples of the cost per sf of ARCH's Blaine Manor or the tiny homes of The Meadows. It looks like it will cost a significant premium to what other workforce housing is currently being built at, and perhaps a premium to the \$450 in lieu standard just adopted by the City. This is a for-profit project that seems to be shifting its cost risk onto the taxpayer. At what point is enough enough? At what point is the irony of "expensive affordable housing" obvious to the City?

Meanwhile, the City still owns a highly valuable asset in the land. The City should maintain its optionality to cancel the lease with KCDC and take advantage of the cyclical peak in land values and create the opportunity to apply those millions of dollars to other potential housing solutions that could be implemented more quickly and in a more targeted fashion that benefits Ketchum (e.g., specifically workforce housing rather than just low income housing).

The City should proactively avoid another hole in the ground situation. In this case, it could be much worse. If its costs balloon and/or its financing falls apart, the for-profit, out-of-state developer could hold hostage a valuable taxpayer asset that could be better monetized for better housing solutions. Beyond being yet another "failed experiment" for this administration, this would be a tragedy for workforce housing.

I urge the Council to apply the lessons of Ketch and the hole in the ground, and to maintain control of this property until it is 100% sure that GMD can perform, without continuously coming back to the City and KURA for more subsidies.

Thank you for your service to the community.

Perry Boyle
Ketchum

Lisa Enourato

From: John Melin <johntmelin@gmail.com>
Sent: Monday, December 27, 2021 8:19 AM
To: Participate
Subject: In Lieu Fees

Participate

Over the years, there has been a lot of talk about how to attract non-tourist businesses to Ketchum to broaden our employment base. The expense of travel and travel time is clearly a problem. As is the housing cost for employees. Because of our fabulous area, both can be somewhat overcome.

The one factor that is never mentioned is the shortage of available office space, particularly, high quality office space. There is not a building in Ketchum that has any meaningful amount of office space available. How can a new office-based (or internet based, or programming based, or investment based) business move to Ketchum without a possible location? Working from home may work for some types of businesses for a while, but it is not a likely solution to attracting new businesses to our area. The largest office building in town was the Smith building that has been converted to dorms.

I am writing to suggest that one problem with our zoning code (e.g., FAR ratios) and in-lieu fees is that these tend to drive land and development costs up, which can only be supported by the high value of upper-floor condominiums. Office rents are not high enough, and will never be high enough, to compete with these three-story projects with high-end condominiums.

The economics of creating a viable office building in Ketchum requires a new thought process about office space as a use. If we want a different outcome, we need to think differently!

Without a careful consideration of things like the FAR ratios and the in-lieu fees, there will never be new commercial office space built in the core and maybe in the industrial area. As a result, we cannot attract new non-tourist businesses to the community.

Respectfully,

John Melin

30 Year Ketchum Resident