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June 9, 2014

Mayor Fritz Haemmerle & City Council
Sent Via Email

Dear Mayor Haemmerle and City Council Members:

Thank you for the opportunity to continue BCHA's relationship with the City of Hailey by considering our Contract for Service for FY 2015 in which we will serve as the city's housing department and regional housing authority. The Blaine County Housing Authority and its Board of Commissioners has valued our services with the City of Hailey for FY 2015 at \$15,000 and respectfully requests that the City Council allocate funds in this amount in its FY 2015 budget process.

In our semi-annual report to stakeholders published last month, BCHA documented the recent trends and stress in the housing market in Blaine County and in Hailey in particular. We were able to talk specifically about the current market conditions in Hailey when we presented our report to the City on June 2, 2014. As a reminder, the median home price in both the single-family and condo/townhouse markets exceed affordability standards for households earning 80% of the Area Median Income, or AMI. We also saw that the affordability cushion of single-family homes for households earning 100% of the AMI has completely eroded in the past six months. Likewise, the affordability cushion in the condo/townhouse market (Hailey's smallest segment) was cut in half in the past six months. Finally, we documented rents that are up more than 5% and that inventory is down by more than 30% in Hailey's rental market.

Considering those conditions it is not a surprise that the percentage of applicants in BCHA's database who are employed with Hailey-based employers rose from 20% in March of 2013 to 31% of all applicants in March of 2014. BCHA highlighted several specific actions we are taking on the City of Hailey's behalf to help address this housing crunch during our presentation on June 2nd including, but not limited to,

- Increasing the affordable rental stock in BCHA's stewardship,
- Working with affordable housing developers to plan, apply for funding and ultimately build additional ownership and rental units in greater numbers than we can do ourselves, and
- Providing opportunities for homeownership that the market does not provide to median and moderate income households through our various programs.

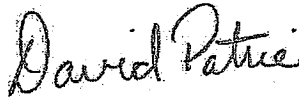
The nexus between readily available affordable housing and economic expansion is clear and undeniable. **Hailey's economic success, and the success of its employers, depends in part on BCHA's success in maintaining and providing housing solutions for low, moderate and median income households that our market does not provide on its own.** BCHA's success is dependent on equitable support from the county and its municipalities. Our contract for service proposal supports our mandate and mission to maintain our current supply of housing and to add to it when necessary to allow our businesses to hire quality employees and compete in their respective markets.

The appendix on the following page shows a series of charts which evaluate several different metrics BCHA used to formulate our \$15,000 Contract for Service value with the City of Hailey. These metrics only look at benefits within the city's municipal boundaries. We need to note that there are dozens of ways in which BCHA programs and services benefit the City, its businesses and constituents outside its municipal boundaries.

The \$15,000 value of the BCHA contract for service is far less than any one of the single metrics in the appendix. This represents a huge value-added benefit provided to the City of Hailey by BCHA through our efficiency and the ability of BCHA to act as the housing department for all municipalities in the valley and for the county. This enables each municipality to pool their funds and avoid several duplications of service and to spend less on housing services to its constituents than it would without BCHA acting as a regional housing entity.

We think the information in this letter provides several approaches and several reasonable bases for our proposed fee for services. I am happy to answer any questions or address any concerns as you continue your budget discussions. The Blaine County Housing Authority values our partnership with the City of Hailey and we look forward to continue working with and for you in 2015.

Sincerely,



David Patrie
Executive Director

Attachments: BCHA proposed budget FY 2015
cc. Heather Dawson - City Administrator
BCHA Board of Commissioners

The Blaine County Housing Authority's mission is to advocate, promote, plan and preserve the long-term supply of desirable and affordable housing choices in all areas of Blaine County in order to maintain an economically diverse and vibrant community.

BCHA Proportionality Metrics

By Work Force		
Total Blaine County Workforce	11,471	
		Hailey
Hailey Work Force		4021
Percentage of Work Force		35%
Value of BCHA Contract for Service		\$64,849

By Community Homes in Jurisdiction		
Total Community Homes	89	
		Hailey
Hailey Community Homes		13
Percentage of Community Homes		15%
Value of BCHA Contract for Service		\$27,022

By Population		
Total Blaine County Population	21,376	
		Hailey
Hailey Population		7960
Percentage of Population		37%
Value of BCHA Contract for Service		\$68,890

The Blaine County Housing Authority's mission is to advocate, promote, plan and preserve the long-term supply of desirable and affordable housing choices in all areas of Blaine County in order to maintain an economically diverse and vibrant community.

BCHA FY 2015 Budget - Draft to Hailey, 2014-06-09

BCHA OPERATING and PROGRAM BUDGET	FY 2012 Actual	FY 2013 Original	FY 2013 Amended	FY 2013 Actual	FY 2014 Original	FY 2014 Amended	FY 2014 Projected	FY 2015 Draft 6/9/2014	Comment
Income									
CH Administrative Fees	\$5,430	\$18,750	\$18,750	\$22,845	\$18,750	\$18,750		\$18,750	lack of inventory restricts growth
Contracts for Services	\$141,115	\$147,465	\$147,465	\$147,500	\$152,500	\$152,500		\$185,000	not having a 501c3 is a barrier
Grant Income		\$31,500	\$0	\$7,270	\$14,100	\$14,100		\$5,000	seek new opportunities
Other / New Income		\$0	\$5,350	\$3,595	\$15,301	\$15,301		\$16,500	increase by 10%
Rental Mgmt Income	\$275	\$350	\$350	\$255	\$300	\$300		\$300	remain in LGIP
Interest Income									
Total Income	\$146,820	\$198,065	\$171,915	\$181,465	\$216,252	\$216,252	\$0	\$225,550	
Expenses									
Payroll & Benefit Expenses									
Salary, Executive Director	\$55,000	\$60,900	\$60,900	\$60,530	\$65,000	\$65,000		\$67,600	4% Merit Increase
Salary, Program Administrator	\$36,865	\$44,660	\$36,000	\$35,955	\$47,000	\$47,000		\$48,900	4% Merit Increase
Salary, Part-time Staff Assistant								\$12,000	New Position
Sub Total Payroll/Benefit Expenses	\$19,545	\$27,323	\$27,063	\$19,210	\$25,950	\$25,950		\$25,630	
Total Payroll Expenses	\$111,410	\$132,883	\$123,963	\$115,695	\$137,950	\$137,950		\$154,130	
Capital Outlay									
Community Home Purchase	\$0	\$0	\$78,000	\$0	\$0	\$0		\$0	
Computer Equipment									
Office Furniture	\$300	\$300	\$300	\$300	\$300	\$300		\$300	
Capital Outlay Sub-total	\$300	\$300	\$78,000	\$300	\$300	\$300	\$0	\$300	moved to G&A for FY 2013
General and Administrative									
Ads	\$240	\$500	\$500	\$205	\$500	\$500		\$500	
Audit & Bookkeeping	\$3,260	\$0	\$0	\$660	\$3,600	\$3,600		\$3,250	
Computer Equipment		\$500	\$500	\$885	\$1,200	\$1,200		\$1,000	
Computer Expenses	\$765	\$900	\$900	\$2,975	\$5,000	\$5,000		\$2,500	
Contract Labor	\$2,415	\$5,000	\$3,000	\$325	\$2,275	\$2,275		\$2,500	
Dues & Subscriptions & Credentials	\$555	\$500	\$500	\$820	\$5,880	\$5,880		\$6,000	
HOA Dues	\$0	\$0	\$0	\$555	\$5,000	\$5,000		\$3,000	
Legal & Professional	\$470	\$5,000	\$1,500	\$1,900	\$2,080	\$2,080		\$2,208	
Liability Insurance	\$2,815	\$2,550	\$2,550	\$615	\$750	\$750		\$900	
Meals & Entertainment	\$560	\$500	\$600	\$1,150	\$1,100	\$1,100		\$1,100	
Mileage Reimbursement	\$1,555	\$1,400	\$1,000	\$4,220	\$4,500	\$4,500		\$4,000	
Office Expenses	\$2,475	\$3,200	\$3,700	\$225	\$0	\$0		\$0	
Postage & Delivery	\$340	\$470	\$9,000	\$8,980	\$11,700	\$11,700		\$12,570	
Rent	\$4,800	\$7,800	\$500	\$330	\$750	\$750		\$400	
Repairs		\$500	\$500	\$300	\$4,000	\$4,000		\$4,000	
Telephone & Internet/Website expenses	\$3,830	\$3,700	\$3,200	\$3,905	\$4,000	\$4,000		\$4,000	
Utilities	\$640,000	\$1,350,000	\$500	\$835,000	\$0,000	\$0,000		\$0,000	
G & A Sub-Total	\$24,830	\$33,970	\$28,420	\$27,985	\$51,610	\$51,610		\$43,920	

BCHA FY 2015 Budget - Draft to Hailey, 2014-06-09

BCHA OPERATING and PROGRAM BUDGET	FY 2012 Actual	FY 2013 Original	FY 2013 Amended	FY 2013 Actual	FY 2014 Original	FY 2014 Amended	FY 2014 Projected	FY 2015 Draft	Comment
<i>Program Budgets:</i>									
	\$685	\$6,450	\$3,000	\$3,175	\$7,000			\$9,000	See Programs sheet
	\$3,510	\$8,800	\$4,000	\$3,505	\$5,000			\$5,000	See Programs sheet
	\$640	\$10,250	\$3,000	\$3,505	\$9,000			\$8,000	See Programs sheet
Programs Sub-Total	\$4,935	\$25,500	\$10,000	\$10,185	\$21,000	\$0	\$0	\$22,000	
Sub-Total Expense	\$141,375	\$192,353	\$240,383	\$153,865	\$210,560	\$0	\$0	\$220,050	
Operating Contingency	\$5,710	\$5,710	\$5,710	\$2,215	\$5,687			\$5,500	(approx 3% payroll and admin. exp)
Total Expense	\$141,375	\$198,063	\$246,093	\$156,080	\$216,247	\$0	\$0	\$225,550	
Income less Expenses	\$5,445	\$2	(\$74,178)	\$25,386	\$5			\$0	
Contract for Service Income									
Blaine County	\$63,650	\$70,000		\$70,000	\$70,000	\$70,000	\$70,000	\$75,000	
City of Ketchum	\$70,000	\$70,000		\$70,000	\$70,000	\$70,000	\$70,000	\$75,000	
City of Sun Valley	\$5,000	\$4,965		\$5,000	\$10,000	\$10,000	\$10,000	\$18,000	
City of Bellevue	\$6,000	\$2,500		\$2,500	\$2,500	\$2,500	\$2,500	\$2,000	
City of Hailey	\$144,650	\$147,465	\$0	\$147,500	\$152,500	\$152,500	\$152,500	\$185,000	



BCHA FY 2015 Budget - Draft to Hailey, 2014-06-09

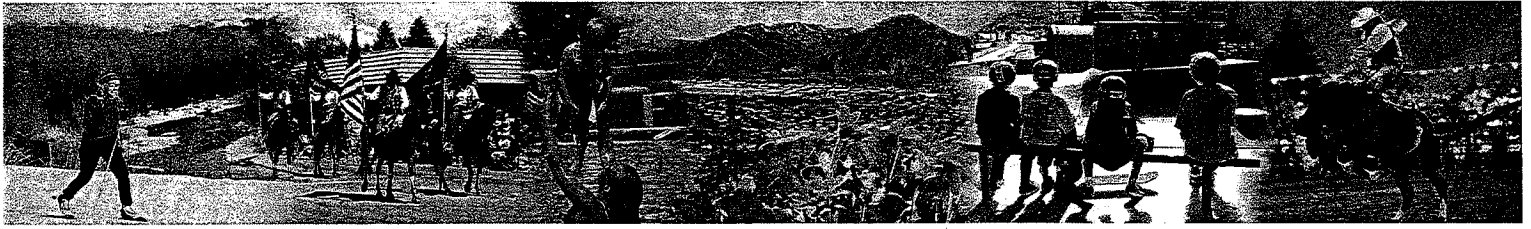
CHAMP	Community Housing Asset Management Program	Associated strategies
CHU marketing & Outreach	Direct costs of fliers, print ads, radio	Commitment to Mission, Goal III(A): Facilitate timely sales and re-sales of community homes. Strategy 2. Develop a plan to expand the pool of qualified applicants for community housing.
		\$5,000
place holder amount		Implement strategies from the Strategic Drection to improve the stewardship and the quality of Community Housing.
		\$4,000
	Sub-Total	\$9,000

BCHA FY 2015 Budget - Draft to Hailey, 2014-06-09

CHIP	Community Housing Initiative Program	
place holder amount	\$5,000	Implement new initiatives identified in the Strategic Direction.
	Sub-Total	\$5,000



BRINGING VISITORS, BUILDING BUSINESS



The Hailey Chamber of Commerce (HCC) appreciates the opportunity to submit a budget proposal for the 2015 fiscal year. The HCC has been successful in supporting multiple events over the past year with the help of Volunteers, HCC Partners, the Idaho Tourism Council and the City of Hailey. These are relationships we look forward to growing over the next several years. In addition, we plan to build new partnerships in the coming years that will aid us in providing expanded and improved advertising, marketing and public relations resulting in increased attendance at events and “heads in beds”.

Some of the primary benefits to the City of Hailey and its residents from economic reinvestment in tourism promotion and visitor services are:

- An Economically Healthy Community
- Property Tax Revenues for the City of Hailey from businesses supported by tourism
- Enhancement of Quality of Life for Hailey residents
- \$180,000+ collected in Tax Revenues from the Lodging & Rental Car for the City of Hailey in 2013

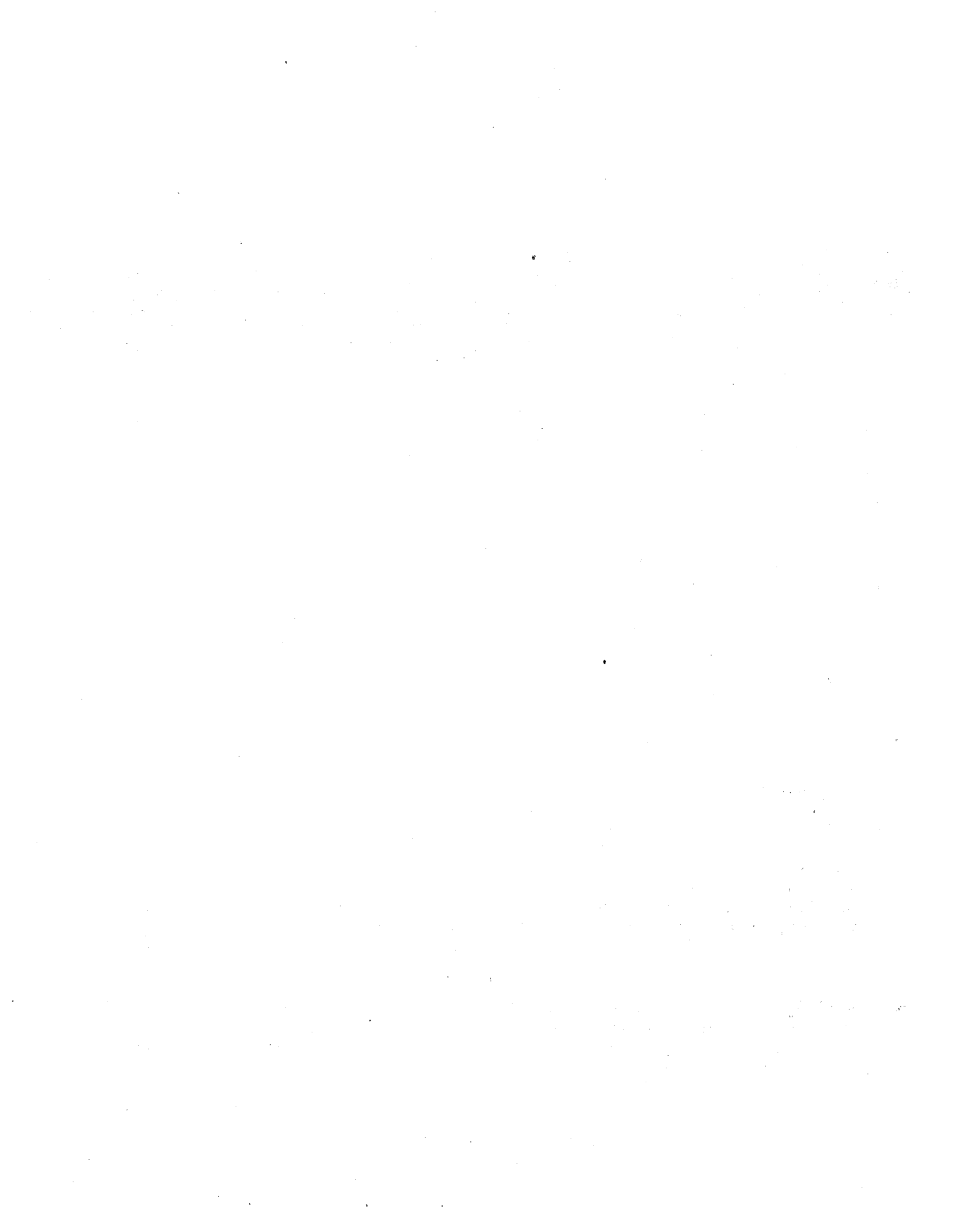
What services does the HCC provide to the City?

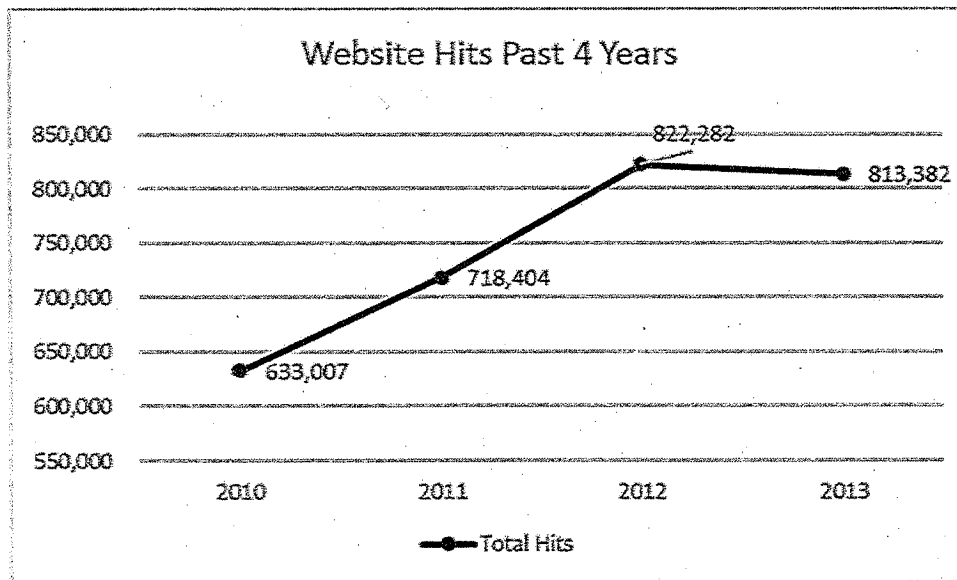
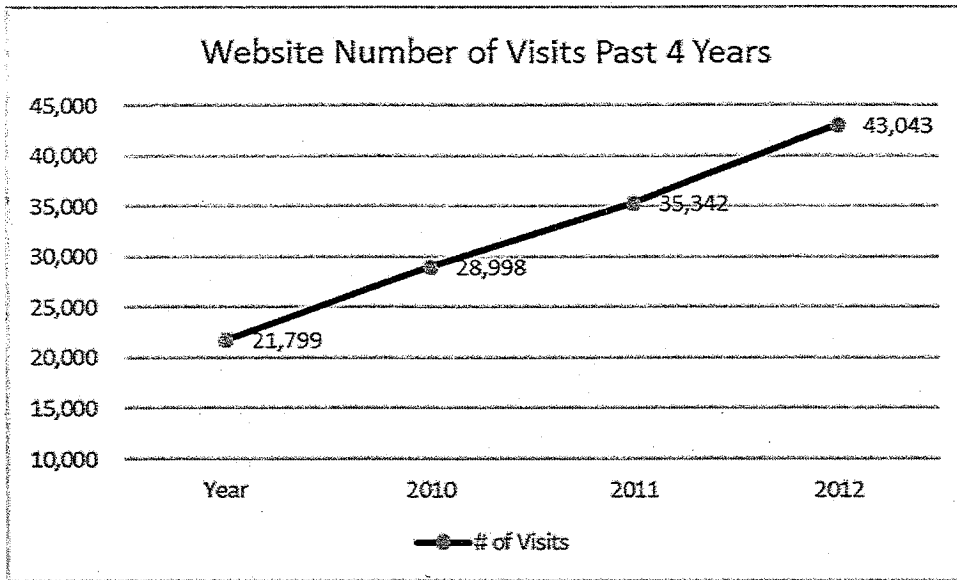
Tourism Marketing:

We develop, create and execute a strategic marketing plan that is designed to showcase our community and its many unique events and attract day and overnight visitors to Hailey. Our multi-channel marketing efforts include:

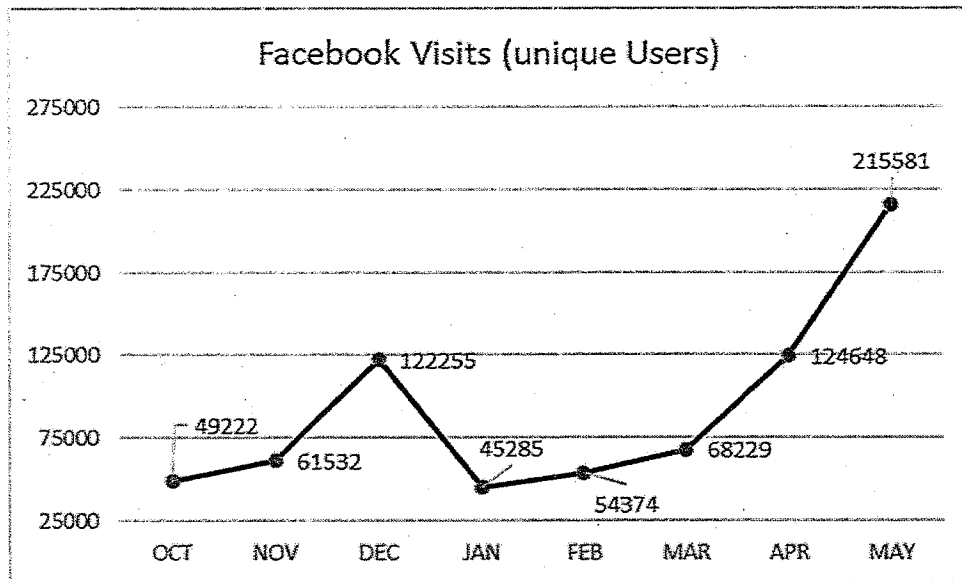
- **Advertising:** Print, Television, Radio (primarily regional) and online paid ads (worldwide)
- **Public Relations:** Generating free media coverage on our area and events; national, international, regional
- **Social Media/Website/Email:** Ongoing outreach to large group of followers
- **Partnership Marketing:** Working with partners to expand collective reach of our marketing; the Idaho Tourism Grant awarded \$16,700 for the FY2014 to help us do this is a key part of our program.

Visitor Services: The HCC operates as the “Community Concierge” for Hailey and the entire Sun Valley region. The website, www.hailevidaho.com, with detailed and updated visitor information is accessible 24/7. The number of website visits over the past 4 years has increased by 97% and website hits increased by 28.5%, indicating the content of the website continues to be overall good. Please see charts on next page.

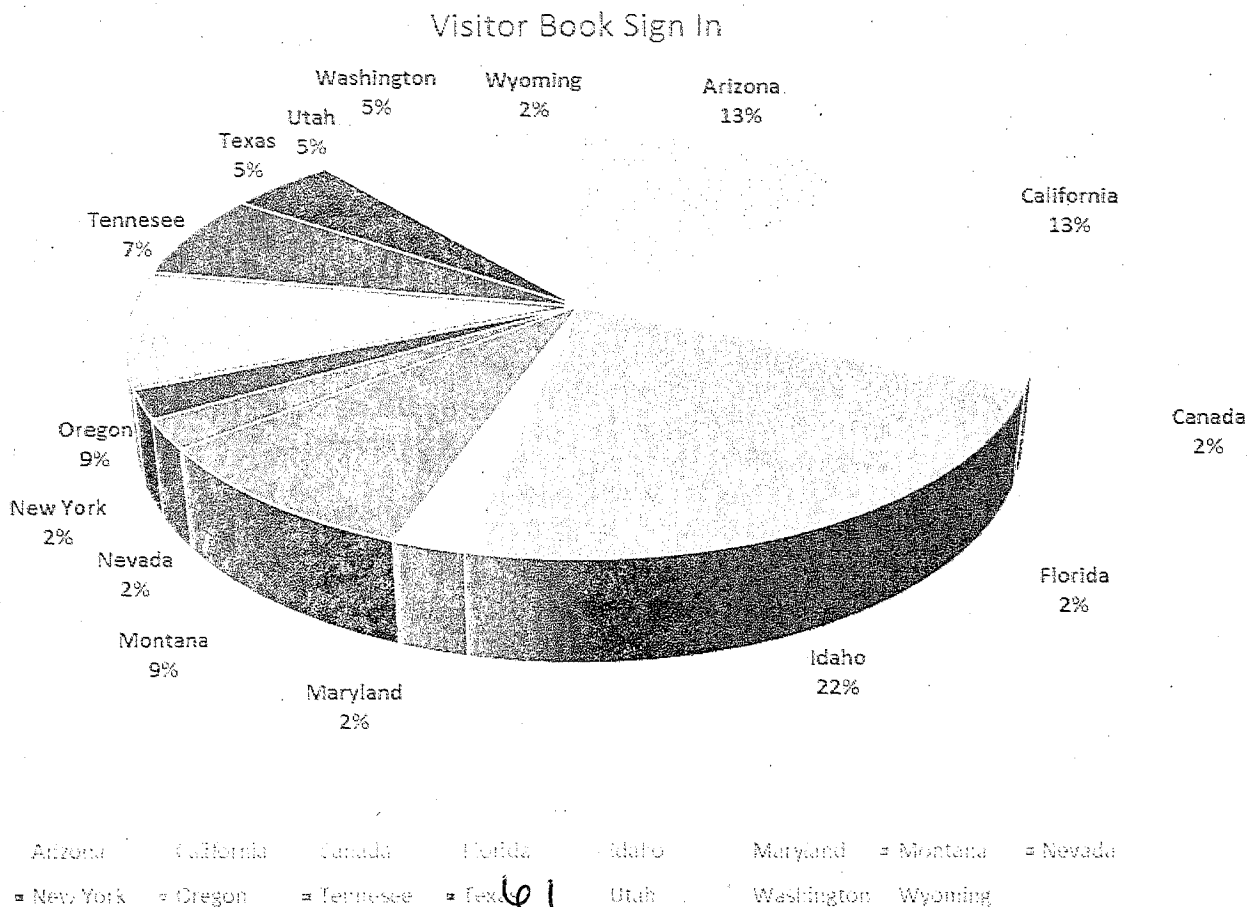




Our Facebook Page promotes local events and business discounts on a daily basis. Clearly HCC's facebook is well used for keeping visitors, business and local residents informed.



The new city-created Visitor Center is operated 5 days a week, 8 hours a day, by HCC staff and volunteers who assist travelers and locals with information on the area. During FY14 we have assisted more than 550 in office visitors to better enjoy their time in our community. Of the visitors that have signed our visitor book since May 15th 2014, we have personally assisted 45 visitors from the US and Canada (14 states).



FY15 proposed changes to benefit the City of Hailey, its constituents and the Hailey Chamber of Commerce and its businesses:

- Migrate current website to new user friendly platform (it is less cost to maintain).
- Develop an interactive smartphone application for visitors.
- The addition of one full time employee.
- New advertising online with destination companies.
- Increase public relations for existing and new events.
- Increased support for events include; insurance, printing & production, speakers, licenses and permits.

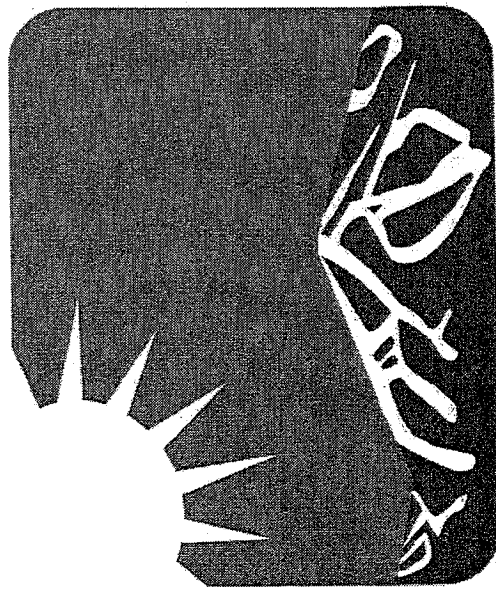
LOT funds collected for **Lodging and Rental Cars** has increased by 9.5% since 2009. This is a direct reflection of the increase in visitors to the Hailey area. We are proposing an increase in funding from 37% to 75% of only **Lodging and Rental Car** taxes collected during the *prior* year to enable the HCC to meet its goals. We believe this model would create stability and allow the HCC to effectively plan for the future. We based our request on prior year collections to be conservative.

In summary, a reinvestment into tourism, funded by visitors utilizing Hailey's lodging and rental car businesses, will allow us to grow these revenues for the city and in turn for local businesses benefiting everyone in the City of Hailey, a true win – win. And, it is important to re-emphasize that we are providing all the above services to the City of Hailey for approximately 50% of the cost the City would incur to accomplish all of this in-house. We need to be funded to this level in order to allow us to help the City and our businesses grow and flourish.

Your consideration of our proposal for FY 2015 is greatly appreciated. We look forward to continuing to build on our collaborative relationship with the City of Hailey. If you have any questions or need additional information, please do not hesitate to contact me.

Respectfully Submitted,

Patricia A. Bowton
Hailey Chamber of Commerce



SUN VALLEY ECONOMIC DEVELOPMENT

Investment Opportunities 2014

Philosophy and Ideology

Our Vision:

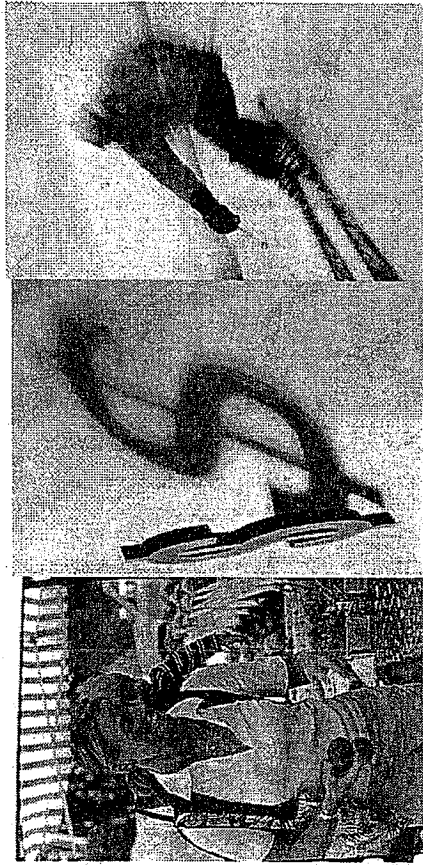
Sustainable economic growth throughout the Sun Valley region

Our Strategic Approach:

- ***Initiate, develop and deliver projects & services consistent with the mission in a timely and effective fashion.***
- ***Establish a platform for communication, collaboration & cooperation between the key public and private stakeholders in the Sun Valley region.***
- ***Provide rational advocacy, general guidance and technical expertise on relevant economic, business & policy issues***

Our Mission:

Preserve and advance the Sun Valley region's economic vitality and diversity while recognizing the values of its citizens



Improving the Blaine County Economy

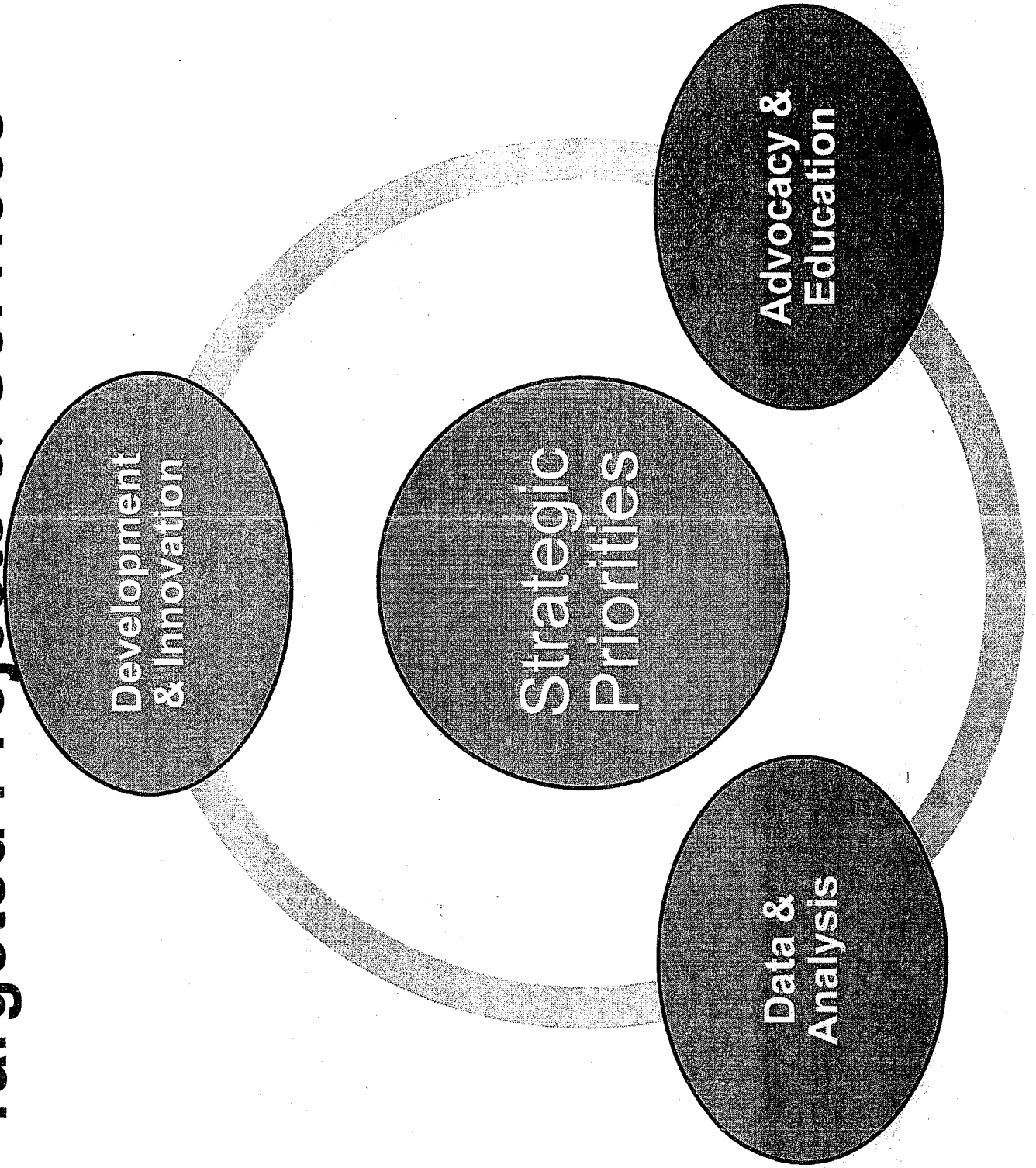
Our Organization:

- ✓ Fourth full year of operation
- ✓ Rebranded to increase impact
- ✓ Public/Private partnership
- ✓ 1.5 Full-time resources
- ✓ Diverse board membership:
 - 6 public sector
 - 13 private sector
 - 1 Department of Commerce
- ✓ Participation from the largest employers in Blaine Co.

Our Value Proposition:

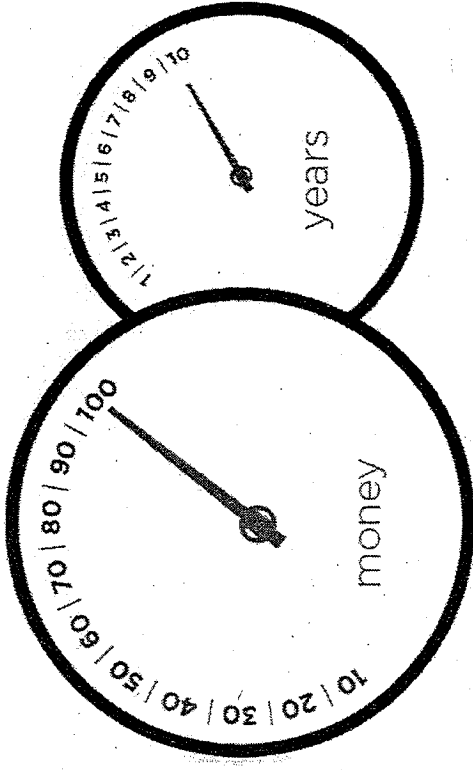
- ✓ **More Jobs:** Retain existing and attract new
- ✓ **Improve Sales:** Increase visitors and business traffic
- ✓ **Better Decision Making:** Timely data & analysis on local economy
- ✓ **Remove Obstacles:** Improve local business environment
- ✓ **Significant ROI:** real and positive community-wide impact of sponsored projects & programs

Targeted Projects & Services



New Long Term Goal

- Concept initially discussed at YE Board retreat
- Development focused on an aspiration that would move the dial for the Blaine Co.'s economy
- Goal established for 10% of Blaine's approximate \$1 billion GDP
- SVED aspiration for \$100 million in new business in a period of 10 Years



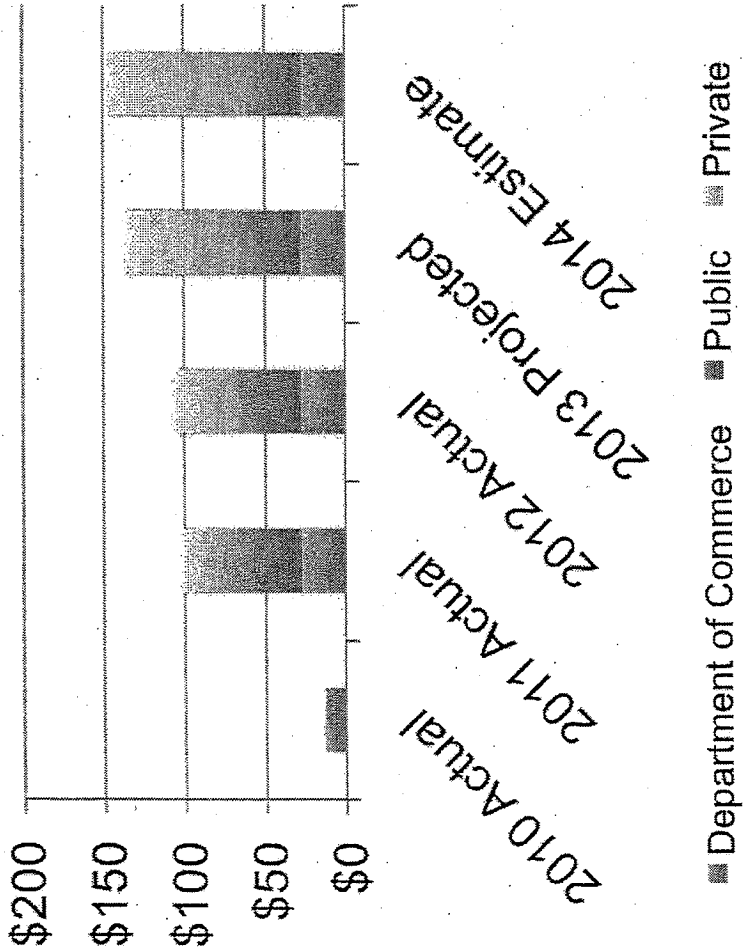
GOAL

Our Key Accomplishments

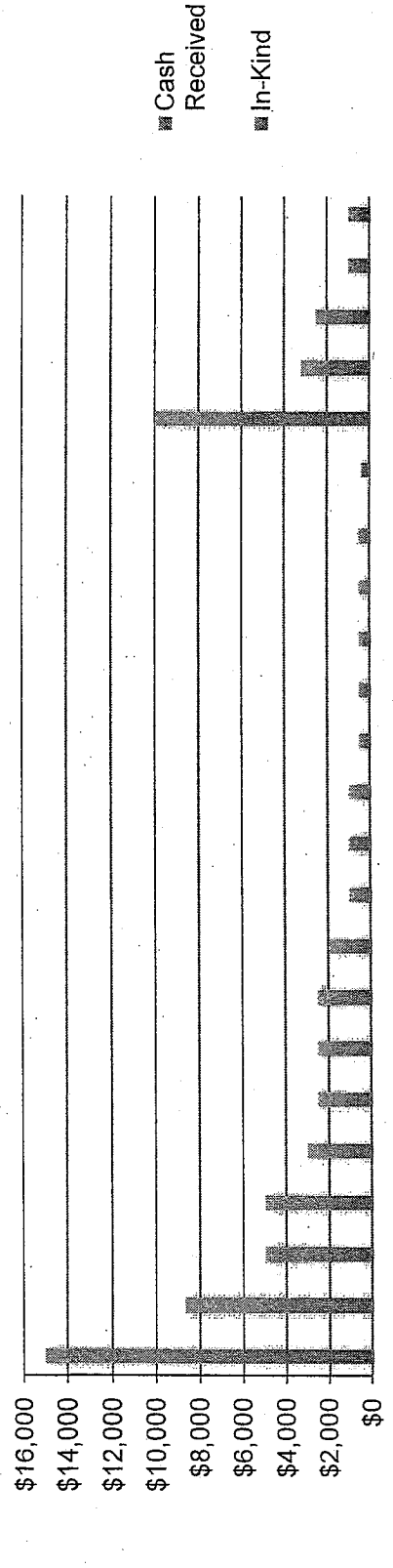
- Designated by the State as the “go-to” organization for business relocations to Blaine County
- Delivery of critical analysis to secure expanded air service from LAX, SEA, SFO and DEN
- Certification of the region as a United State Olympic & Paralympic Training Site
- Visionary for the creation and development of the Culinarium Sun Valley and the Sun Valley Human Performance laboratory
- Hosting of an Annual Economic Summit that brings together global thought leaders together with the community to generate economic development strategies and action plans
- Production of comprehensive annual economic profiles for each municipality and the County that highlight economic trends
- Creation of a Business Mentors and Advisors program to assist local entrepreneurs, established businesses and potential relocations

2014 Fund Raising Program *

- Targeted annual growth in total budget to ~\$150k
- Increase in private sector contributions to 53% of total
- Focus for 2014 will be to broaden base of support & seek grant opportunities



Private Sector FY13 Actuals

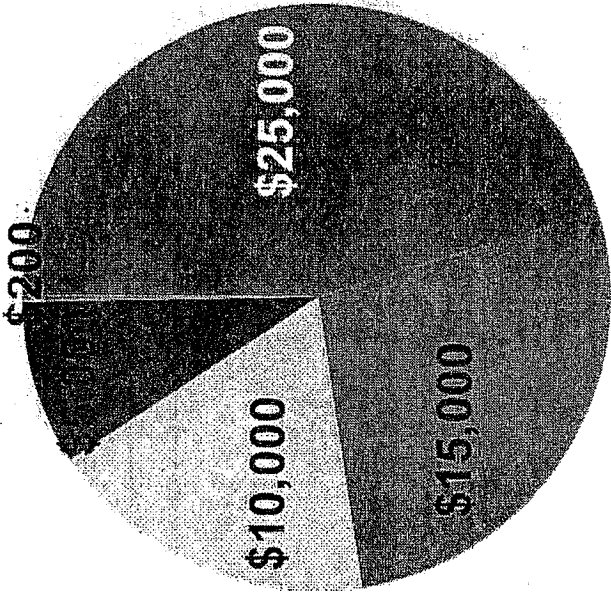
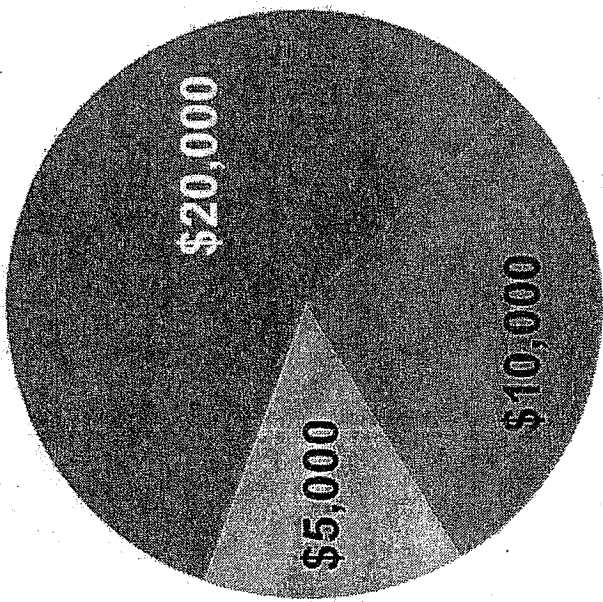


* SVED calendar fiscal year overlaps City FY14

2014 Fundraising Request

Public Sector FY14 Actuals= \$35k

Public Sector FY15 Proposed= \$55k



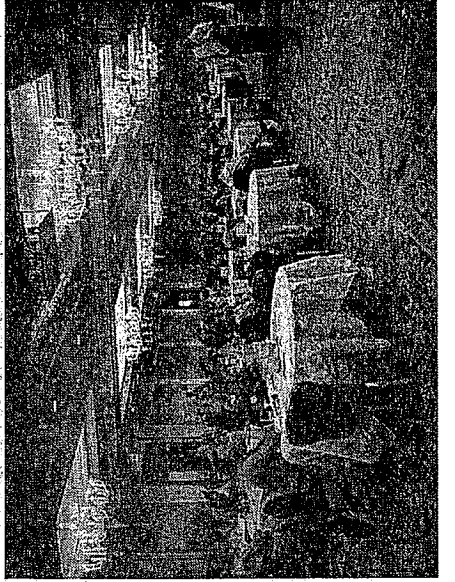
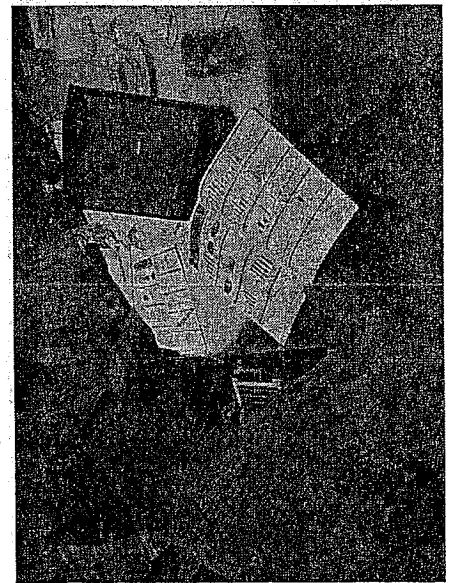
- Blaine Co. ■ Bellevue ■ Carey ■ Blaine ■ Ketchum ■ Sun Valley
- Hailey ■ Ketchum ■ Sun Valley ■ Hailey ■ Other

- Proposed increase in public funding to deliver more projects services
- Cost effective investment:
 - Leverages other giving and grants at 3:1 ratio
 - Secures dedicated ED professional at discount to internal staff
 - Delivers increases in LOT and other taxes
- Relative contributions balanced to reflect city capabilities & priorities

Supplemental Slides

3rd Annual Economic Summit

- *Global, National & Local Economy Forecasts and Overview*
- *Groundbreaking Research & Analysis*
- *Emerging Trends in Economic Development & Resort Economics*
- *Internationally Recognized Speakers and Panelists*
- *New Resources & Opportunities for operating in the Sun Valley Region*
- *Networking with over 200 Thought Leaders & Colleagues*
- *Sponsorship & Promotion Opportunities*



Culinarium Sun Valley

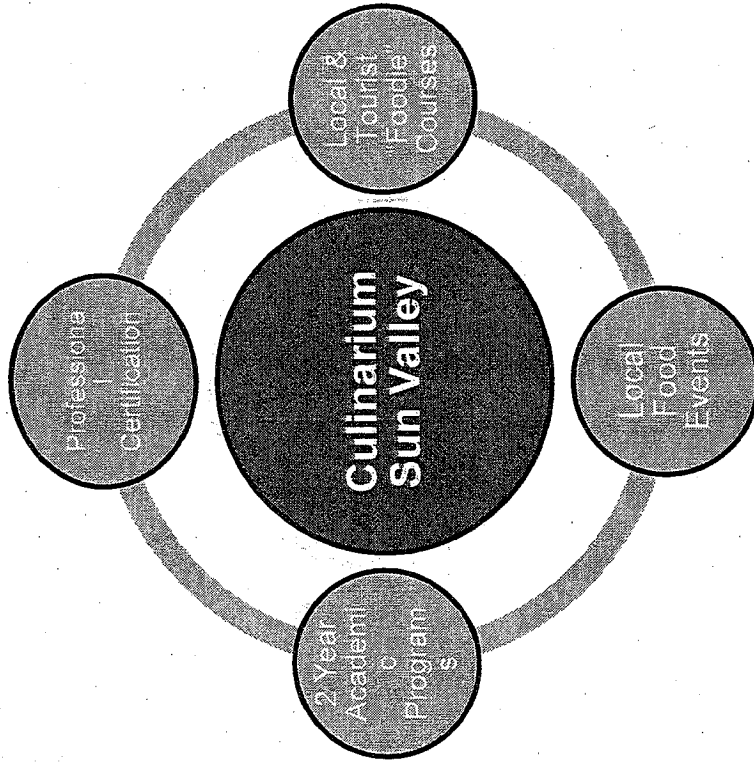
CURRENT PARTNERS

CSI

SUN VALLEY harvest festival

SUN VALLEY ECONOMIC DEVELOPMENT

City of KETCHUM



- Economic Impacts:**
- Bricks & mortar physical presence in North Valley
 - New direct & indirect jobs
 - Educational cohort provides age diversity
 - New visitors from 27 million culinary tourists

State-of-the-Art Culinary Facility

- Multiple High-end kitchens
- On-site restaurant / bakery
- Wine shop / tasting area
- Retrofit, lease or build options

Olympic & Paralympic Training Site

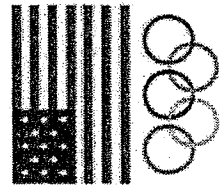
Economic Impacts:

- Attraction of new athletes, events & corporate activities
- Development of sports medicine, & other housing programs
- Increase in financial donor base across Idaho+
- Access to expanded sports tourism market

CURRENT PARTNERS



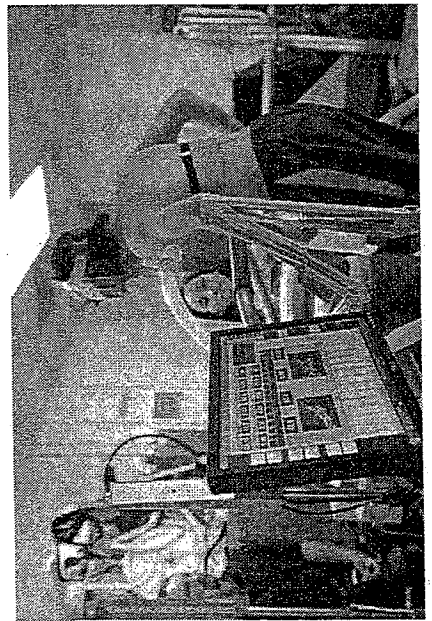
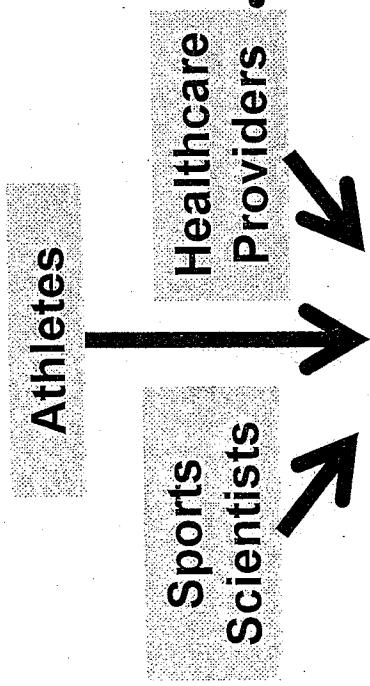
U.S. OLYMPIC AND PARALYMPIC TRAINING SITE
 SUN VALLEY SKI EDUCATION FOUNDATION



Human Performance Laboratory

Economic Impacts:

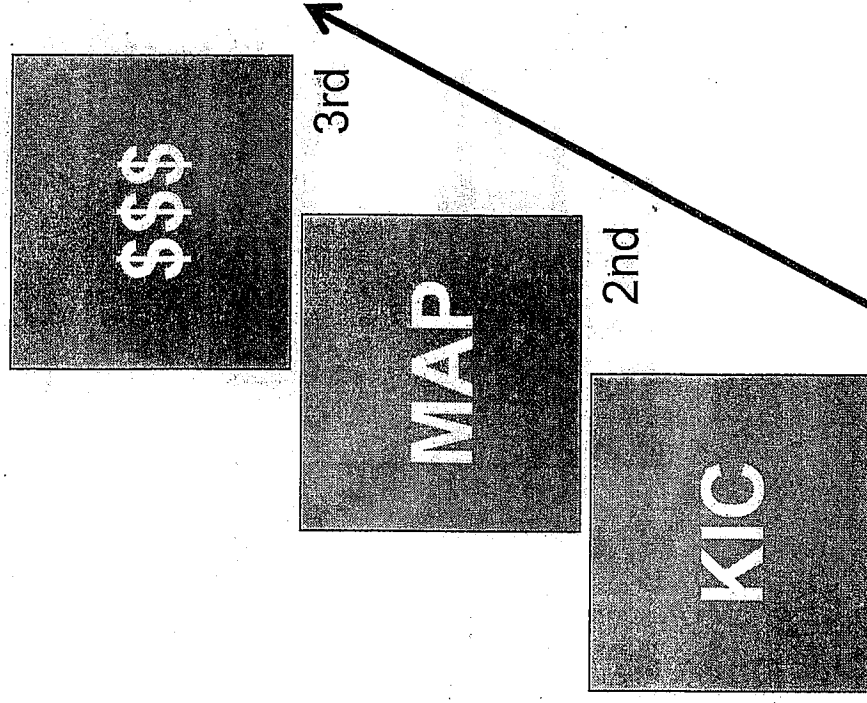
- New athlete population(s) for research & testing
- For-Profit potential, with older athlete programs subsidizing elite programs
- New direct & indirect jobs
- Conference & research opportunities
- Access to millions of sport tourism visitors



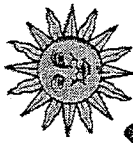
CURRENT PARTNERS

Local Investment Group

- ✓ Concept endorsed & adopted as a result of 2013 Economic Summit
- ✓ Three step strategic approach:
 1. *Ketchum Innovation Center*
 2. *Mentors & Advisor Program*
 3. *Local Funding Access*
- ✓ Collaborating with Ketchum on KIC programs & activities
- ✓ MAP rolled out with:
 - ✓ 40+ mentors w/ expertise in banking, finance & start-ups
 - ✓ 20+ local businesses in food, energy, internet & services sectors
- ✓ Local funding in due diligence stage

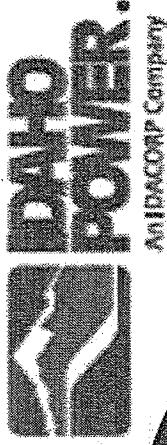


Community Partners



Sun Valley

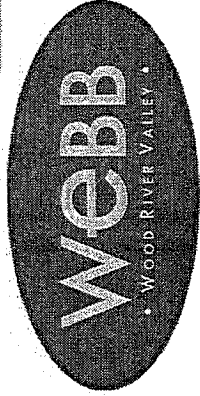
St Luke's
Wood River



DAHO POWER.
AN IDACORP Company



Marketron

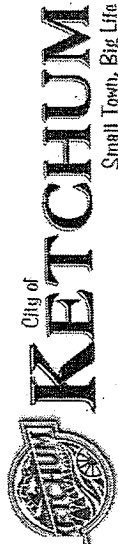


usbank

COMMUNITY SCHOOL
from here...anywhere



POWER ENGINEERS

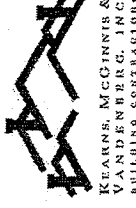


City of **KETCHUM**
Small Town, Big Life

ZIONS BANK

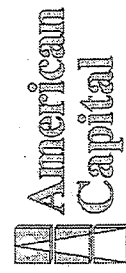


GRILL
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KEARNS, MCCORMICK & VANDENBERG, INC.
BUILDING CONTRACTORS

IDAHO
State Tax Commission



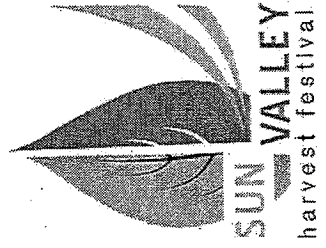
American Capital



BRADDOCK CHARTERS CITY
EST. 1984



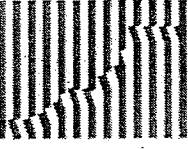
CITY OF HAILEY
EST. 1984



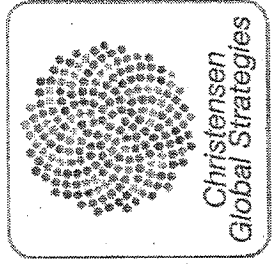
SUN VALLEY
harvest festival



City of Carey
Blaine County
State of Idaho



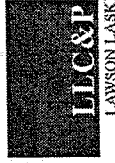
STREAMSIDE
AT THE VALLEY CLUB



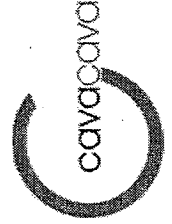
Christensen Global Strategies



SAWTOOTH BREWERY

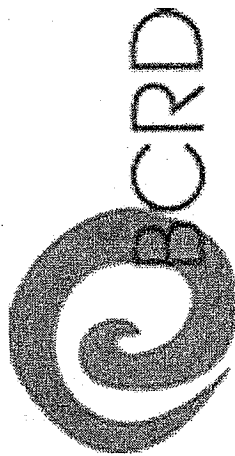


LLECAP ATTORNEYS
LAWSON LASKI CLARK & FOGUE, PLLC

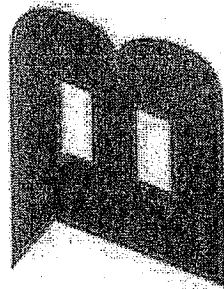


CAYACAVA

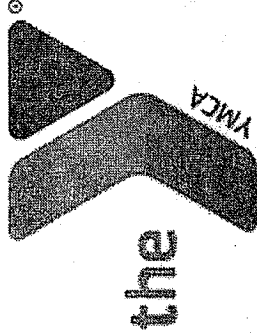
Project Collaboration



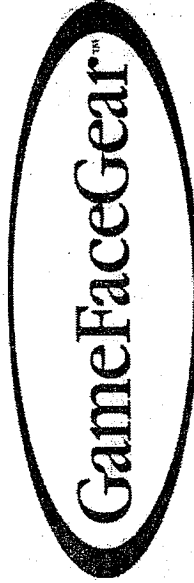
Pursue the Active Life



sun valley ski academy



U.S. OLYMPIC
AND PARALYMPIC
TRAINING SITE
SUN VALLEY SKI EDUCATION FOUNDATION



BLISSARCHITECTURE



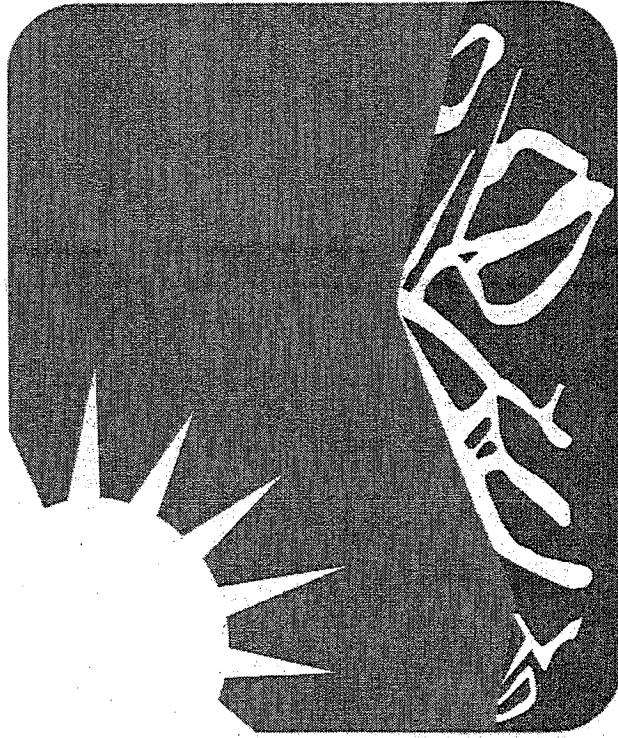
ORANGE STARTS WITH YOUR UNDERWEAR



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