

Katrin Sharp

From: Participate
Sent: Tuesday, March 2, 2021 2:58 PM
To: AllCouncil
Cc: Jade Riley; Katrin Sharp
Subject: FW: For public comment: Ketchum Tribute Hotel (aka Marriott)

Follow Up Flag: Follow up
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Please see public comment below.

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-----Original Message-----

From: HP Boyle
Sent: Tuesday, March 02, 2021 1:35 PM
To: Participate <participate@ketchumidaho.org>
Subject: For public comment: Ketchum Tribute Hotel (aka Marriott)

The IME published an editorial this past week that basically tells newcomers to Ketchum to shut up and let the old guard manage things. https://www.mtexpress.com/opinion/editorials/write-the-valley-s-history/article_2e0eab3e-7621-11eb-8e64-0f6c981f9f73.html

That backward thinking is exactly the kind of mentality that has gotten Ketchum into its current mess. We have to play the cards as they lay on the table now, not wish for a better hand. We need to be creative about building a future for Ketchum, not relying on the low wage tourism industry as our only way to scratch out a living.

I just read with interest the latest SVED report on tourism in this area. It can be found here:
<http://sunvalleyeconomy.com/wp-content/uploads/2019/04/VSV-Post-Walk-Around-Situation-Deck-v3-4.24-Final.pdf>

I URGE ALL MEMBERS OF THE COMMUNITY AND THE CITY COUNCIL TO READ THIS REPORT BEFORE PROCEEDING WITH THE APPROVAL OF MORE HOTEL ROOMS IN KETCHUM.

This report documents, with data and analysis, the chronic under-utilization of existing hotel rooms, and makes the case that going above 85% occupancy of our existing hotels will have a detrimental impact on the visitor experience in the Sun Valley area.

This report came out in a good snow year and prior to Covid—Covid cannot be blamed for the chronic low occupancy in Ketchum. It was published by a pro-tourism entity backed by the businesses of Sun Valley/Ketchum, so cannot be accused of an anti-growth bias.

What does this report tell us?

— winter operations, the only time when the hotels are even close to full, are going to be negatively impacted by climate change (p2).

- new skiers are coming into the sport more slowly than old skiers are leaving it (p2). Investing in snow sports as a city growth strategy is unwise.
- skier visits are being consolidated into the EPIC and IKON pass groups (Vail and Aspen) (p2). Competing with these resorts will push Ketchum to become more like Vail and Aspen. I think most of us choose to live in Ketchum because it is not Vail or Aspen, so puzzling why the Mayor would like to make us more like those towns.
- our summer occupancy is on par with other mountain towns and is significantly lower than the winter (p7). Why would we want to add more hotel inventory into this market?
- our winter occupancy and room rates are significantly lower than other mountain towns (p8). Again, does it make sense to put more hotel rooms into that kind of a market?
- at more than 85% of current hotel capacity, the tourist experience in town degrades. Lifts lines approach Vail levels, people can't get a seat at a restaurant (p7). Putting more hotel rooms into Ketchum, even if they will attract more visitors, will make the town much less livable for its residents.
- p12 indicates that the economics of tourism to this area aren't very good. "With less than at 40% average winter occupancy, Wood River Valley businesses appear to be operating at levels below their costs of operation and just marginally profitable during some of the winter, and only marginally profitable during much of the balance of the Winter season." (P 13). Again, what are we doing building more hotels? The issue in this town is demand, not supply.

And yet, our City Council gave extensive waivers to an out of town developer so we could have a 100 room, 6-story Marriott at the entrance to Ketchum. What is their motivation? Can't they do the math and see how destructive it will be to the residents and local hotel owners?

This report also makes the point that local businesses are not picking up their fair share of the economic burden of the area, in particular in the area of workforce housing. As the Alliance of Better Community Housing (ABCHKetchum.com) has pointed out, the current workforce housing plans subsidize out of town developers for bringing in low wage jobs to the community. The Marriott is a prime example of this. It will bring in 100 low paid jobs and only house 23 workers, leaving the City to subsidize the housing of the other 77, potentially in Bluebird. Why are the taxpayers of Ketchum subsidizing the business of PEG, a Utah developer? How does this benefit our community?

The report exhorts our leaders to do what they never seem to do—create a strategic plan based on data and analysis. To wit:

"Build a long-term strategic plan for the Wood River Valley's economic well being that clearly establishes who is responsible for the citizens economic well being, and identifies the organizational structure and related resources required for a 3-5 year initiative to establish year round economic viability thru responsible tourism growth, management and mitigation." (P 16)

Let's make development decisions for Ketchum based on data and analysis, not outdated plans that no longer reflect the reality of Ketchum or the world in which we live.

Let's have every development require a cost/benefit analysis to the community—we should enshrine that in our Municipal Code. At the very least, we should expect our City Planning staff to do this work and have extensive community involvement.

As this independent report indicates, we have already hit the limit of what tourism can do for Ketchum. There are only so many flights a day that will land at SUN, and given our location, we are an island in the middle of the Idaho sea. But this is a terrific island that has lots of non-tourist economic potential.

Instead of doubling down on tourism and lamenting the loss of manufacturing, why can't we focus on turning Ketchum into a knowledge worker paradise. High wage jobs. Not low wage tourism jobs. Instead of building hotels, we should make sure we have the best schools in the country, the best broadband in the country, and desirable office space. We have almost no decent office space in the entire WRV.

Hailey is beating us out on this. Hailey is on the way to becoming a thriving vibrant mountain town, while Ketchum will be relegated to resort status. How is this good for the people of Ketchum?

Why are we trying to move in the direction of Vail? We will never compete successfully with them, and why would we want to? Why can't we make Ketchum into something different and special?