

SUN VALLEY
ECONOMIC
DEVELOPMENT

Land Development in Blaine Co.

2Q Members Forum

Sawtooth Club

April 6, 2016

Agenda

1. Current Development Environment
2. Light Industrial Review
3. Opportunities for Improvement

Why Does it Matter?

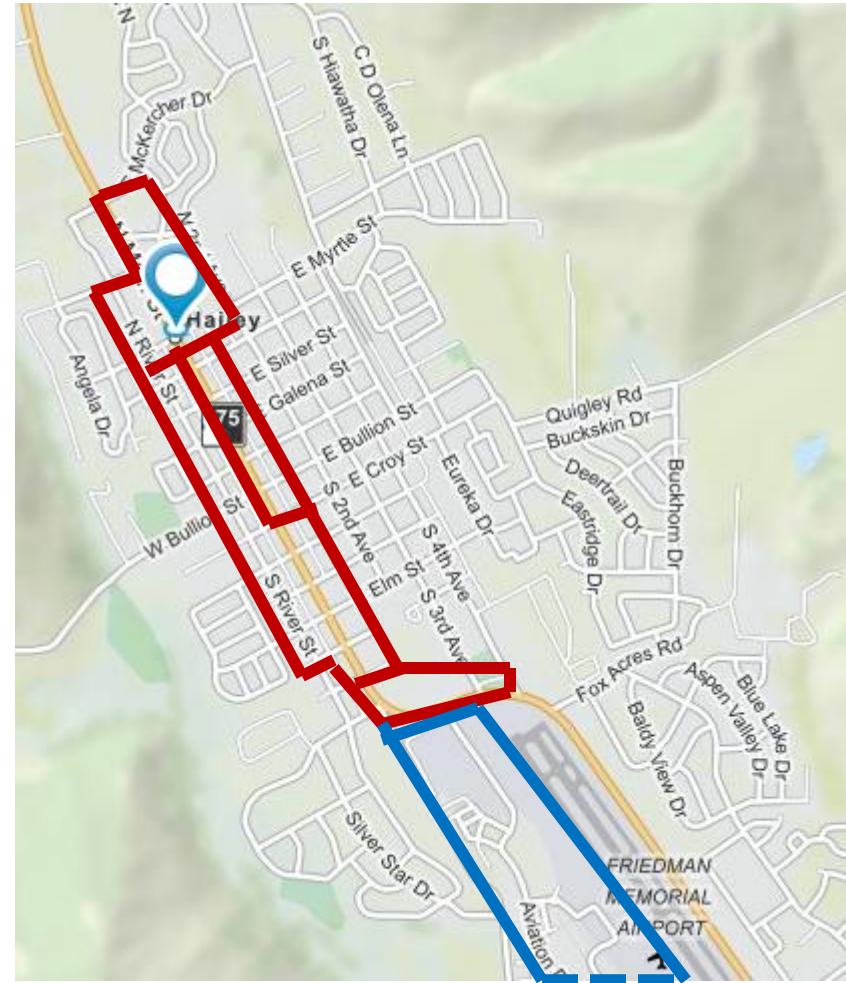
- Land development in Blaine Co is currently a major economic driver
 - ✓ Direct contributor of \$300+ million to regional GDP
 - ✓ Indirect influence on 1,800 jobs and \$95 million/year in wages
 - ✓ Key foundation for \$1.2 billion Tourism sector
- Systemic under-investment in Blaine Co land development is a major impediment to a healthy economy
 - ✓ Building-to-Land investment ratios are well below national standards
 - ✓ Missing opportunities for new contributions to the municipal tax base

Hailey Land Use Assessment*

Area Analyzed	Total Parcels (#)	Vacant Parcels (#)	+Under Invest. (#)
Downtown District	288	49	109
LI District	196	74	3
Totals	424	123	112

Key Observations:

- ~123 vacant acres for development
- 55% under-invested parcels
- 3+ catalytic redevelopment options



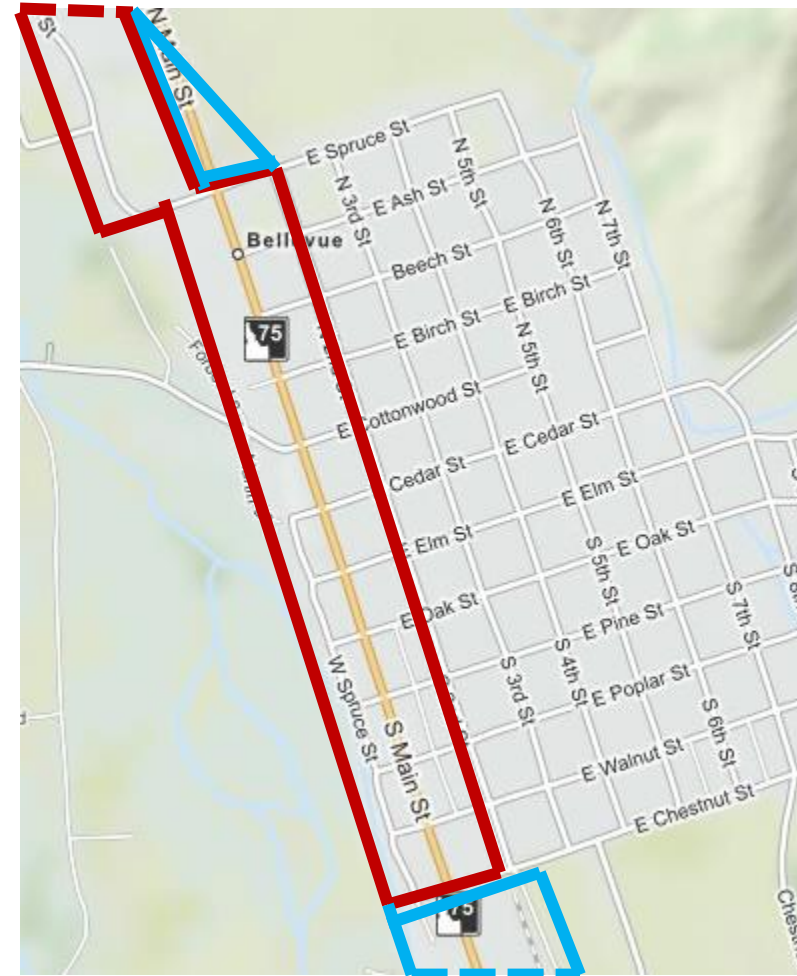
Bellevue Land Use Assessment*

Area Analyzed	Total Parcels (#)	Vacant Parcels (#)	+Under Invest. (#)
Downtown District	162	49	58
LI & LI/Business Districts	78	29	14
Totals	240	78	72

Key Observations:

- Numerous small vacant parcels
- 63% under-invested parcels
- Many non-conforming residential
- Multiple odd shaped and in-lots

* Wolfram 2015 & SVED 2015 Analysis



Ketchum Land Use Assessment*

Area Analyzed	Total Parcels (#)	Vacant Land (#)	+Under Invest. (#)
Downtown District	273	27	91
LI District	259	35	50
Totals	531	64	141

Key Observations:

- Numerous vacant parcels
- 26% under-invested parcels
- LI District restrictions limiting
- 10+ catalytic redevelopment options



* SVED updated 2016 Analysis



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Light Industrial Review

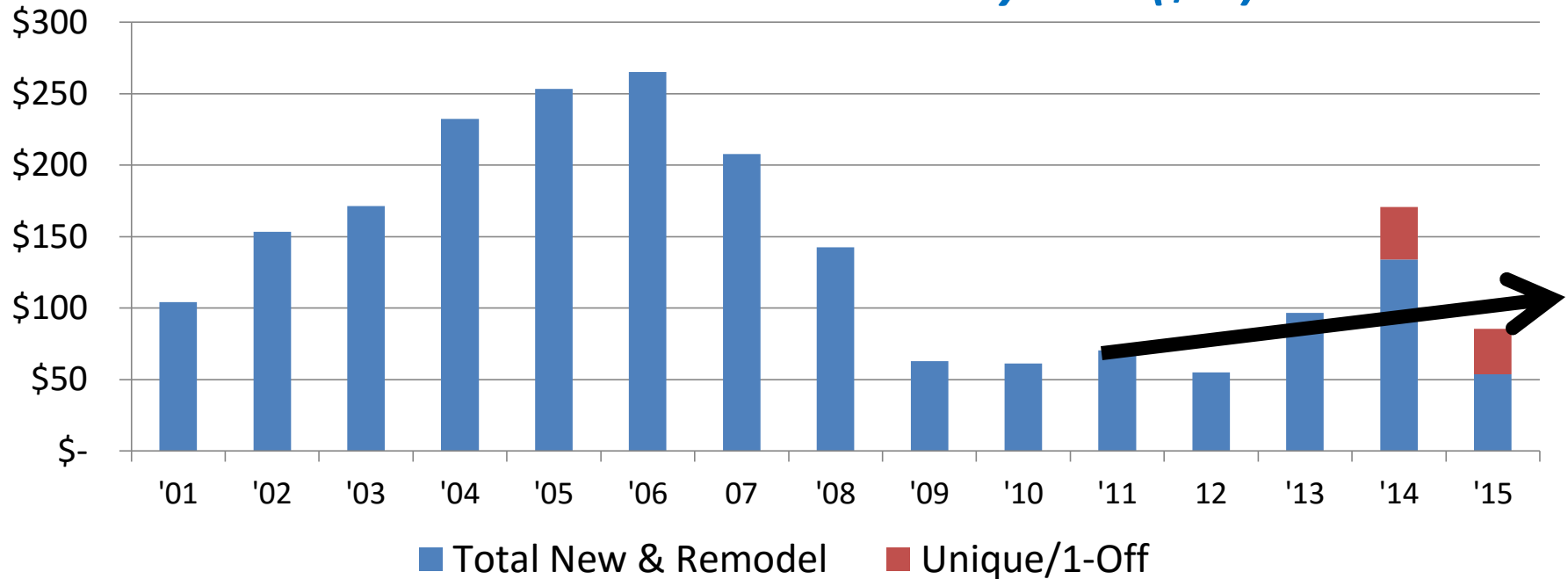
Why are the LI Zones Relevant?

- Reasonably priced land
- Numerous vacant parcels
- Numerous underinvested parcels
- Proximity to City cores'
- Character changing from trade/construction to mixed use
- Significant potential for contribution to tax bases
- Ketchum analysis complete, Hailey & Bellevue pending

	Total Parcels (#)	Vacant Parcels (#)	+Under Invest. (#)	Total Acres	Vacant Acres	+Under Invest. Acres
Ketchum	259	35	50	61	22	22
Hailey	196	74	3	74	WIP	
Bellevue	78	29	14	WIP		
Totals	533	138	67	WIP		

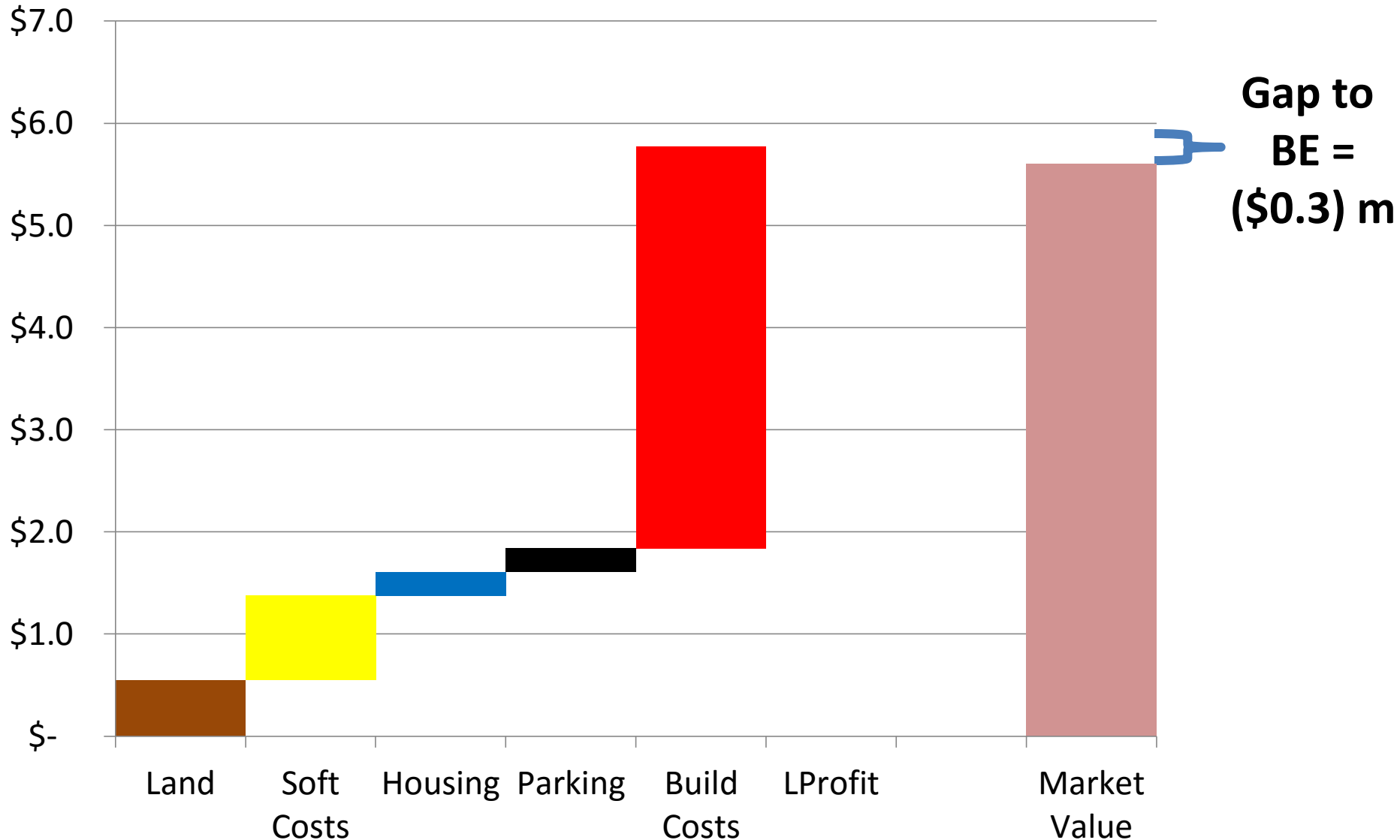
Development Environment 1

Blaine Co. Build Permits By Year (\$m)



- Major recalibration following early 2000's boom years
- Unique/1-off spikes in '14 and '15 spikes represent two hotels and several very high end residential
- Future annual run rate of \$75-125 million

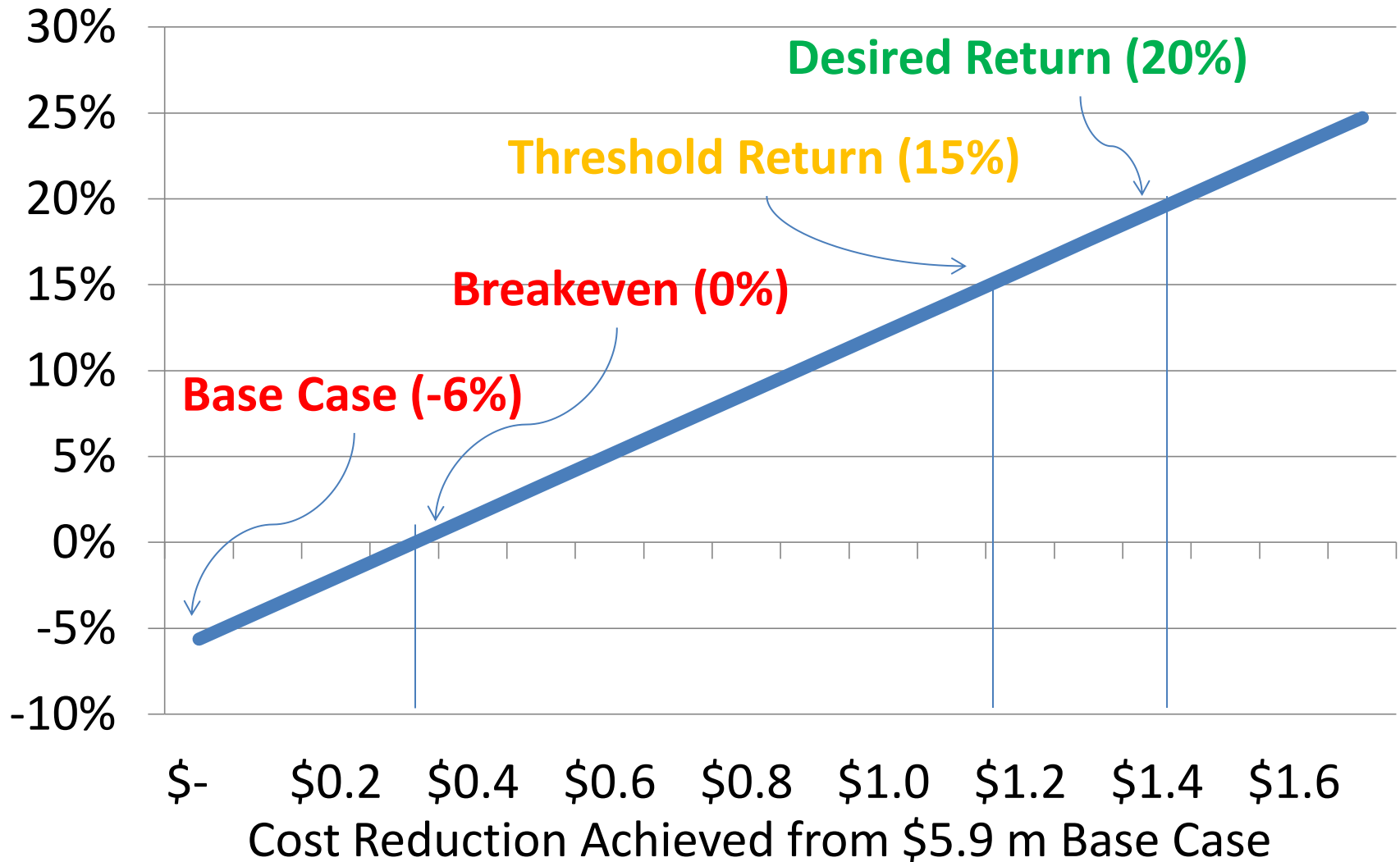
Development Environment 2*



* Base Case Pro-forma based on development of 5,500 sf parcel in Ketchum core

Development Environment - Sensitivity

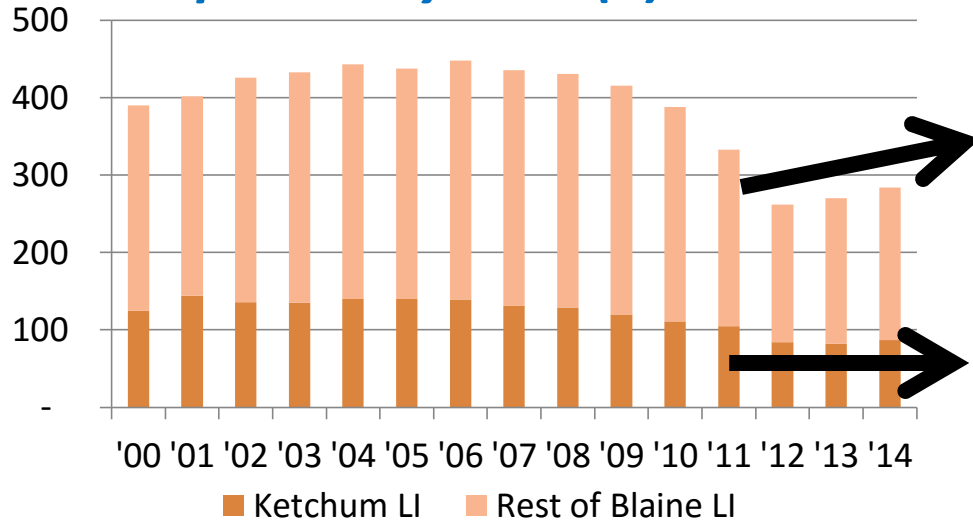
Project Cost Reduction vs Estimated ROI *



* Pro-forma based on development of 5,500 sf parcel in Ketchum core

Ketchum LI Zone Characteristics 1

LI Companies By Year (#)

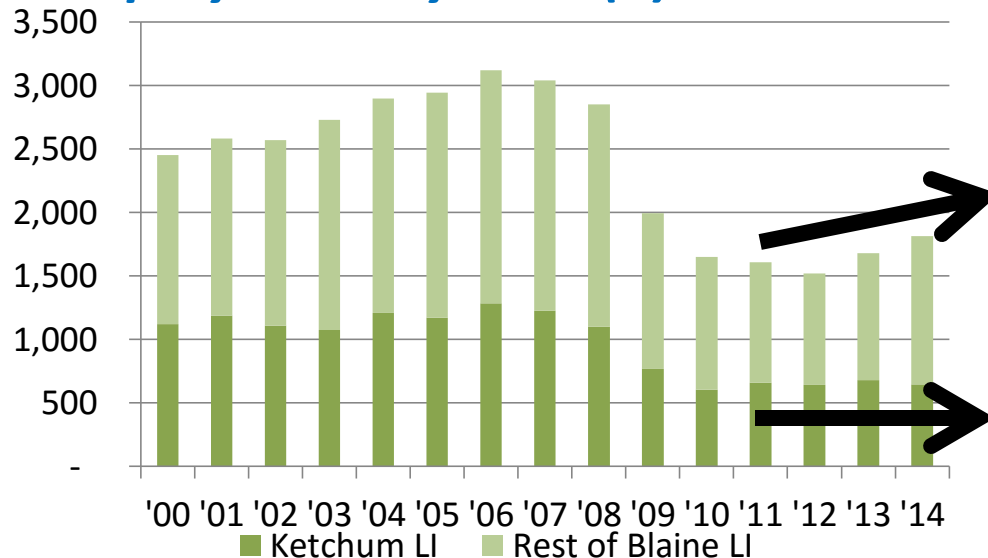


- 115 Light Industrial companies with 1,500 jobs have exited the Blaine Co economy

- Recent growth in Light Industrial companies and jobs in Blaine Co but not in Ketchum

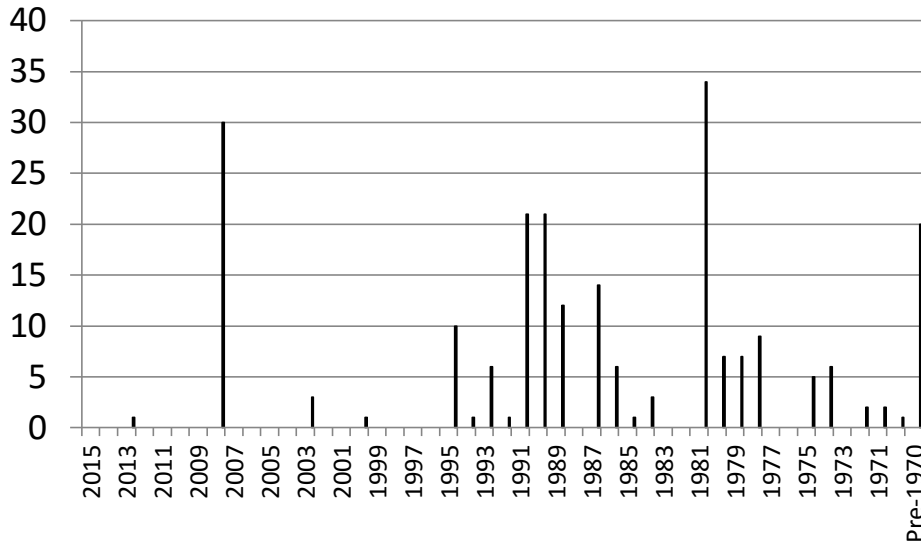
- Light Industrial companies and jobs have/are rebasing into Southern Blaine Co

LI Employment By Year (#)

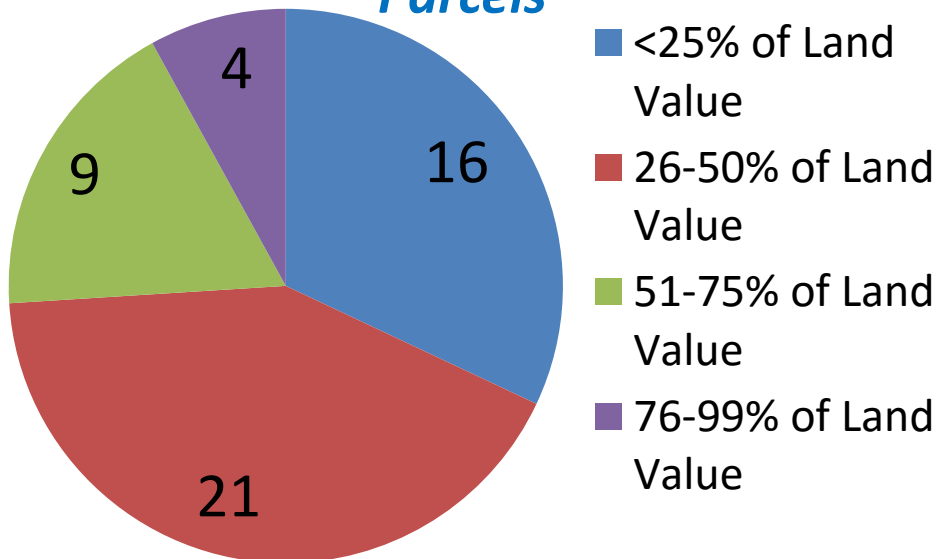


Ketchum LI Zone Characteristics 2

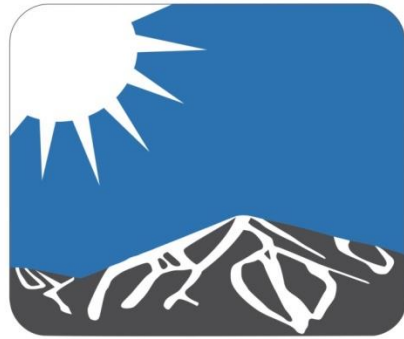
New Building Occupancies By Year (#)



Distribution of Under-Invested Parcels



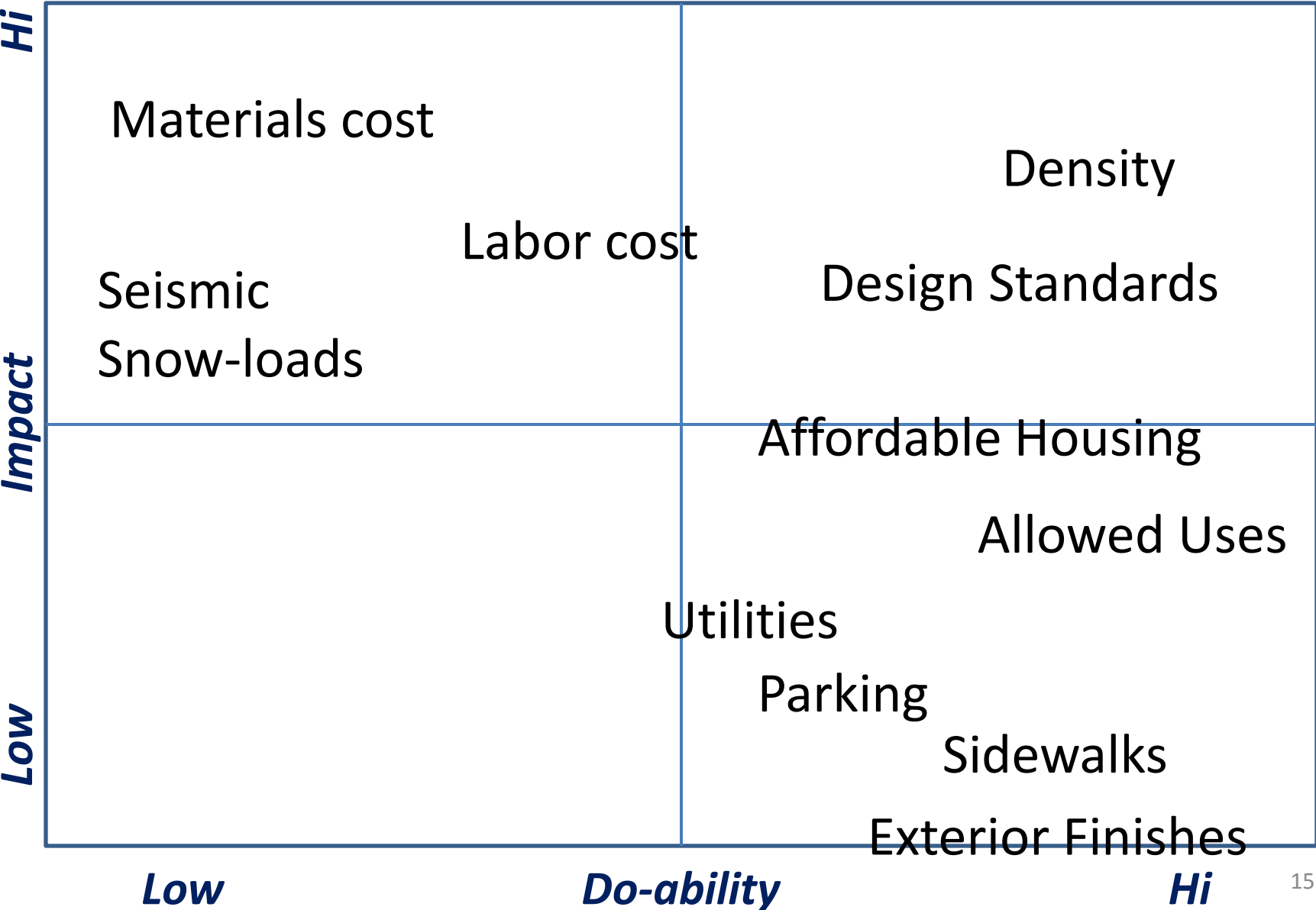
- Extremely limited build-out activity since 1995
- Ample available leases
- Under-investment in ~50 parcels
- 75% of under-invested parcels appraised at less than 50% of land value
- Limited incentives to develop remaining 35 vacant parcels



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Opportunities for Improvement

Development - Opportunities Assessment



Options for Discussion

1. Access to lower cost land
2. Changes in design standards
3. Changes in zoning to increase height/decrease setbacks
4. Density bonuses for smaller projects
5. Larger incentives on housing & parking
6. Flexibility in allowed uses
7. Increase leverage of URA capabilities
8. Temporary waivers vs. permanent changes