Dear Buck & JoAnn,

The purpose of this feasibility study is to analyze the major issues pertaining to the 411 hostel project. The feasibility study has been broken into a series of investigations addressing building code, zoning and planning, hostel case studies, local lodging, hostel requirements and building parameters. Through this analysis we have been able to determine design, building and other restrictions in the existing structure. In addition we have explored the 411 hostel project from a business and organization point of view. The feasibility study has been created not only in order to define and understand the major issues but also as a means of propelling us into the design process.

We continue to be enthusiastic renovating the 411 building into the Sun Valley Hostel and our interactions with the city officials have yielded similar positive feedback.

Sincerely,

Chris + Irwin
FirstFourth LLP
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Introduction
The International Building Code, Existing Building Code, Fire Code and Residential Code were reviewed in order to establish the primary code regulations affecting the 411 hostel project. The building code establishes minimum regulations for building systems using prescriptive and performance related provisions. Our goal in reviewing the code was to isolate the codes pertaining to the hostel and the 411 building in order to define the major parameters for the project.

International Building Code 2006

Chapter 1: Administration
105 Permits
106 Construction Documents
108 Fees
109 Inspections
110 Certificate of Occupancy

Chapter 3: Use and Occupancy Classification
310 Residential Group: R-1 (sleeping units, transient)

Chapter 10: Means of Egress
1004 Occupant Load: Table 1004.1.1
- Dormitories: 50 sq ft floor area per occupant
- 411 building: 2500 sq ft floor = 50 people per floor

Chapter 11: Accessibility
1107 Dwelling Units and Sleeping Units:
Table 1107.6.1.1
- 1 to 25 units = 1 accessible unit,
  25 to 50 units = 2 accessible units

International Existing Building Code 2006

Chapter 2: Definitions
202 General Definitions: alteration & change of occupancy
- Alteration level 2: reconfiguration of space
- Alteration level 3: work area exceeds %50 of the aggregate area

Chapter 8: Alterations Level 3
803 Building Elements and Materials
804 Fire Protection
805 Means of Egress
806 Accessibility
708 Electrical
709 Mechanical
709 Plumbing

Chapter 9: Change in Occupancy
912 Change of Occupancy Classification
912.4 Means of egress, general (relative hazard 3)
912.5 Heights and areas (relative hazard 2)
912.6 Exterior wall fire-resistance ratings (relative hazard 3)
**International Fire Code 2006**

Chapter 4: Emergency Planning and Preparedness
- 404 Fire Safety and Evacuation Plans
- 406 Employee Training and Response Procedures
- 408 Use and Occupancy Related Requirements

Chapter 9: Fire Protection Systems
- 903 Automatic Sprinkler Systems
  - 903.2.7 Group R: automatic sprinkler system required
- 906 Portable Fire Extinguishers (where required)

Chapter 10: Means of Egress
- 1004 Occupant Load: Table 1004.1.1
  - Dormitories: 50 sq ft floor area per occupant
  - 411 building: 2500 sq ft floor = 50 people per floor
- 1016 Exit Access Travel Distance
  - 250 Feet with Sprinklers (200 without)
- 1019 Number of Exits and Continuity
  - 2 exits per floor

**International Residential Code 2006**

Chapter 3: Building Planning
- R304 Minimum Room Areas
- R305 Ceiling Height
- R306 Sanitation
- R307 Toilet, Bath and Shower Spaces
  - Figure R307.1 minimum fixture clearances
- R311 Means of Egress
- R317 Dwelling Unit Separation

Chapter 7: Wall Covering
- R702 Interior Covering

Chapter 8: Roof-Ceiling Construction
- R805 Ceiling Finishes

Chapter 25: Plumbing Administration
- P2502 Existing Plumbing Systems

Chapter 26: General Plumbing Requirements
- P2602 Individual Water Supply and Sewage Disposal

Chapter 27: Plumbing Fixtures

**Conclusion**
The Hostel project is classified under residential group R-1 (sleeping units, transitory). The occupant load for a dormitory is 50 sq ft of floor area per occupant. Each floor of the 411 building is 2500 sq ft therefore each floor is limited to less than 50 beds per floor. In addition the R-1 classification requires an automatic sprinkler system with building exits every 250 ft and two means of egress per floor.
**Purpose**
The purpose of the CC - Community Core District is to promote a compact and cohesive center of commerce and culture, to promote an attractive and safe pedestrian environment which includes sidewalks, gathering spaces, streetscape amenities and landscaping, to retain the unique small town scale and character and to encourage buildings which respect Ketchum’s historical and geographic context while providing diversity.

### Permitted Land Uses Within the Community Core
- **Retail Trade and Retail Service Uses:** Restaurants, Bars Cafes, Bakeries and Delis, Indoor Entertainment, Recreation, and Cultural Uses, Lobby/Access to Upper and Lower Floors
- **Accommodation:** Hotel/Motel
- **Other Uses:** Curb cuts/driveway access from streets where no alley exists (Requires Conditional Use Permit)

### Hotel Use
Hotels shall enter into a hotel use agreement with the City as part of the approval process. Said hotel use agreement shall address at a minimum the following subjects: Community housing, hotel room uses and restrictions, public access on the property, alternatives and remedies if the hotel use ceases, and any other issue the Planning and Zoning Commission or City

### Design Review Regulations and Guidelines
This section contains design review regulations and guidelines for all new development projects, changes to the exterior of existing buildings and changes of use in existing buildings within the Community Core.
**On-Site Parking Requirements**

When the calculation of the number of parking spaces demanded results in a fractional number, fractions equal to or greater than one-half shall be adjusted up to the next whole number.

**Parking Demand By Use**

<table>
<thead>
<tr>
<th>Use</th>
<th>Parking Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>.75 Space per Rental Room</td>
</tr>
<tr>
<td>Retail Trade/Retail Service</td>
<td>2 Spaces per 1,000 SF</td>
</tr>
<tr>
<td>Professional Services</td>
<td>2 Spaces per 1,000 SF</td>
</tr>
</tbody>
</table>

The minimum number of parking spaces provided on-site shall be four (4) spaces per 5,500 square feet of lot area.

Four (4) on-street parking spaces per 5,500 square feet of lot area may be counted toward the required parking.

An applicant may propose a project-specific parking solution to address parking demand unmet by on-site parking spaces for approval by the City. The applicant shall submit a parking analysis and plan that demonstrates how parking demand is addressed.

Except as provided in D.13 above, one hundred percent (100%) of the parking demand unmet by on-site parking spaces may be met with a payment in-lieu.
There are 65 HI hostels in the USA ranging over 24 states. HI Hostels tend to be located in urban centers on the east or west coast. There are many successful hostels that are not HI registered. When analyzing a map of the western part of the country it is evident that non HI hostels outnumber HI hostels especially in relation to inland regions. It is also apparent that Idaho only has one other hostel and that Ketchum is geographically remote from competition. This hostel case study analyzes 8 hostels located in regions similar to Ketchum. These hostels are categorized into flat rate, seasonal and varying rate hostels in order to understand different methods of operation.
Hostel Boise, Idaho  
(twelve miles west of Boise)  
www.hostelboise.com

Rates:
$19 dorm sleeping  
$35 private one person  
$40 private two people  
(each additional person $5)  
Child under 14 half price  
Child under 5 no charge

Amenities:
Free linens  
Free Internet and WIFI  
Free local calls  
Safe, off-street parking  
Large kitchen  
Common room  
Campfire circle  
Bar-B-Que grill  
Covered patio  
Max. 4 beds pr dorm  
Large yard  
Friendly, helpful staff
The Bunkhouse, WY
Jackson's Own Hostel
www.anvilmotel.com

Rates:
Nightly: $25 per person
Weekly: $125 per week
Monthly: $350 per month
Open year around

Amenities:
5000 sq ft basement facility
Ski waxing room
Locker room
Lounge with TV
Kitchen with micro. and ref. (no open cooking is allowed)
Washer / dryer
Showers and restrooms (towels & soap are provided)
25 semi-private bunk beds
3x3x4 locker beside it

Estes Park Hostel Colorado

Rates:
$24 Dorm
$52 private double bed
$30 private single bed
$1 linen
$1 towel
$10 key deposit

Amenities:
2 full-service kitchens
Free parking nearby
Blankets & pillows provided
(Linens & towels available)
Balcony and community areas
WiFi internet
Open year around
Hi Banff Alpine Center, AB  
www.hihostels.ca

Rates:
Hi member shared room:  
$26.50 (late Dec-Mar)  
$29.50 (June-Sept)  
$23.00 (Apr-May, Oct-Dec)  
Non member shared room:  
$30.25 (late Dec-Mar)  
$33.25 (June-Sept)  
$26.75 (Apr-May, Oct-Dec)  
Hi member private room:  
$78.00 (late Dec-Mar)  
$86.50 (June-Sept)  $71.00 (Apr-May, Oct-late Dec)  
Non member Private room:  
$85.55 (late Dec-Mar)  
$94.00 (June-Sept)  
$78.55 (Apr-May, Oct-Dec)

Amenities:
Self-catering kitchen  
free WiFi  
Large  
cozy common room  
Internet access  
Self-catering kitchens (2)  
Onsite cafe (Cougar Pete)  
Onsite pub (Storm Cellar)
HI Whistler, Whistler B.C.  
www.hihostels.ca

Rates:  
$30 CND Shared Room  
(Jan-Mar, Jul-Aug, Dec)  
HI member pays: $26  
$24 CND Shared Room  
(Apr-Jun, Sep-Nov)  
HI member pays: $20  
$68 CND Private Room  
(Jan-Mar, Jul-Aug, Dec)  
HI member pays: $60  
$61.50 CND Private Room  
(Apr-Jun, Sep-Nov)  
HI member pays: $53.50

Amenities:  
Self-catering kitchen  
Large living room w/ fireplace  
Internet access  
Sauna  
Bicycle storage and rentals  
Free canoe rental  
Ice-skating in winter  
Free skate rentals

Hostel X, Teton Village WY  
www.hostelx.com

Rates:  
Summer & Winter Rates:  
$60 one-two in a room  
(any style, king or bunk)  
$74 three-four in a room.  
Closed April to May & October to December

Amenities:  
All rooms have private bath  
maid service  
Lounges with fireplace  
Game room  
Ski wax area  
Children’s play area  
Picnic area  
Coin operated laundry
Hostel Case Study ~ Variable Rate Hostels

The Rocky Mountain Hostel
Winter Park-Fraser Colorado
www.therockymountaininn.com

Rates:
- Post Hol. 1/1-6 (p$89 d$22)
- Early Wint 1/7-11 (p$79 d$22)
- M.L.K. 1/12-14 (p$100 d$25)
- Winter 1/15 2/15 (p$84 d$22)
- Bank Cup 2/23-24 (p$110 d$25)
- Winter 2/25 3/1 (p$89 d$22)
- Spr. Break 1 3/2-8 (p$119 d$25)
- Spring-special 4/1-7 (p$69 d$22)
- Spring 4/8-15 (p$59 d$19)
- CLOSED 4/16 5/17
- Early Sum. 5/18 6/21 (p$59 d$19)
- Summer 6/22 8/18 (p$69 d$19)
- Blues Fest 7/4-7 (p$79 d$22)
- Jazz Fest 7/20-21 (p$89 d$30)
- Late Sum. 8/19 9/3 (p$59 d$19)
- Early Fall 9/4 9/28 (p$53 d$19)
- Late Fall 9/29 11/21 (p$53 d$19)
- Thanksgiving 11/22-24 (p$79 d$25)
- Early Ski 11/25 12/6 (p$59 d$22)
- Early Winter 12/7-14 (p$69 d$22)
- Pre Holiday 12/15-20 (p$119 d$25)
- Holiday 12/21-26 (p$169 d$30)
- Post-Hol. 12/27-31 (p$199 d$30)

Amenities:
- All towels/bedding provided
- Lockers
- Food storage
- Individual showers/bathrooms
- Telephone (free local calls)
- Relaxing areas w/ TV/DVD
- Free movies
- Great kitchen, and dining area
- Sunny deck with gas BBQ grill
- Coffee, Tea, and spices
St. Moritz Lodge, Aspen CO
(lodge, condos, and hostel)
www.stmoritzlodge.com

Rates:
April 16 to 5/24 & 10/8 to 11/21
$65 small room shared bath
$33 shared hostel space
$28 10-29 days
$22 30 days or more
May 25 to 6/13 & 9/4 to 10/7
$88 small room shared bath
$39 shared hostel space
$35 10-29 days
$31 30 days or more
June 14 to 9/3
$112 small room shared bath
$47 shared hostel space
$39 10-29 days
$32 30 days or more
November 22 to 4/15
$88 to $163 small room shared bath
$39 to $57 shared hostel space
$35 to $49 10-29 days
$31 to $38 30 days or more

Amenities:
- Complimentary breakfast
- Outdoor heated pool
- Daily housekeeping service
- Steam Room
- Free High Speed internet
- Book Library
- Flat Screen/HD TV/Cable
- Guest Laundry
- Apres Ski Parties
- BBQ Grills
- Free Local Calls

Flat rate hostels tend to be located in regions without an off season. Many urban hostels with year around attractions adopt this method. In many seasonal locations the cost of running a hostel in off season outweighs the loss of profit from fewer guests. Some of these hostels choose to shut down completely while others choose to lower their rates in order attract more guests. Operating year around with off season rates tends to work in seasonal areas with an urban center. Another billing system is the variable method where prices not only fluctuate with the seasons but also with holidays, local events, school breaks, and weekends. When comparing dorm versus private sleeping arrangements in the variable billing system it is evident that private sleeping arrangements are able to fluctuate in price more then dorm sleeping.
There certainly is no shortage of lodging options in Ketchum, yet the lack of quality accommodations at an affordable price is immediately apparent. This study investigates eight of the local hotels in town to better understand average overnight rates, tendencies in seasonal demand, and occupancy trends.
### Local Lodging Study ~ Rates & Amenities

<table>
<thead>
<tr>
<th>Price</th>
<th>Best Western Tyrolean</th>
<th>Best Western Kentwood</th>
<th>Clarion Inn</th>
<th>Bald Mountain Lodge</th>
</tr>
</thead>
</table>
| $500  | Complex Amenities:  
Complimentary continental breakfast,  
Outdoor pool, Hot tub, Steam room -  
Sauna, Exercise facility, Guest laundry,  
24-hour front desk, vending machines,  
Game room, Meeting facilities, Banquet facilities, Fax, Photocopy, High-speed Internet access.  
Room Amenities:  
Cable satellite television, AM/FM alarm clock, Coffee/tea maker, Hairdryer, Iron, ironing board,  
Data ports, Free local calls under 30 minutes, Wake-up calls,  
Additional in-room toiletries, Cribs available, Rollaway beds available.  
Rates:  
1 Queen $139  
1 King $139  
2 Queens $149  
2 Queen Suite $179 | Complex Amenities:  
Coffee shop Cafe on property, Indoor pool, Spa, Exercise facility, Guest laundry.  
Room Amenities:  
25-inch remote control television, AM/FM alarm clock, Coffee/tea maker, Microwave Refrigerator, Hairdryer, Iron, ironing board.  
Rates:  
1 King $109.00 - $169.99  
2 Queens $129.99 - $160.99  
2 Queens Deluxe $139.99 - $170.99  
2 Queens FP $149.99 - $189.99  
1 Kind FP $149.99 - $190.99 | Complex Amenities:  
Room Amenities:  
Cable/Satellite TV, Free Wireless High Speed Internet Access, In-Room Coffee Maker, In-Room Safe, Microwave, Non-Smoking Rooms Available, Refrigerator.  
Rates:  
1 Queen $159.99 - $179.99  
2 Double Beds $169.99 - $199.99  
1 King Bed $169.99  
1 King Bed $189.99  
1 King Suite $209.00 | Complex Amenities:  
Rates:  
Studio $90 - $129  
Studio Mini $75 - $135  
Studio Deluxe $95 - $140  
Studio, Honeymoon $99 - $149  
One Bedroom Petite $105 - $155  
One Bedroom Deluxe $119 - $275  
One Bedroom Suite $115 - $175  
Two Bedroom $169 - $245 |
| $400  | 56 rooms | 57 rooms |  |  |
| $300  |  |  |  |  |
| $200  |  |  |  |  |
| $100  |  |  |  |  |
Cristophe

Amenities:
- Pool, Hot Tub, Laundry, Voice Mail,
- Undergound Parking, Elevator, Fireplace,
- TV/VCR, Kitchen

Rates:
- Hotel Room: $109 - $139
- Deluxe Hotel Room: $139 - $174
- 1 Bedroom Silver: $164 - $204
- 1 Bedroom Gold: $169 - $214
- 2 Bedroom 2 Bath S.: $249 - $277
- 2 Bedroom 2 Bath G.: $254 - $299
- 2 Bedroom: $327 - $319

Pennay's

Rates:
- 1 Bedroom (650 sf): $180 - $260
- 2 Bedroom (960 sf): $255 - $315
- 2 Bedroom (1060 sf): $230 - $340
- 2 Bedroom (1150 sf): $245 - $375
- 2 Bedroom (1550 sf): $265 - $420

Knob Hill Inn

Rates:
- King Room: $250
- Fireplace Room: $325
- Suite: $400
- Penthouse Suites: $500

Sun Valley Lodge

Rates:
- Deluxe 2 Bed: $319 - $339
- Balcony: $329 - $349
- Deluxe King: $305 - $329
- Medium King: $265 - $285
- Standard Queen: $219 - $229
- Medium 2 Bed: $299 - $305
- Parlour Suite: $509 - $559
Local Lodging Study ~ Average Daily Rate 2007

January: $180.23
February: $206.87
March: $179.89
April: $103.44
May: $112.42
June: $173.96
July: $213.88
August: $199.41
September: $162.25
October: $139.74
November: $105.71
December: $237.79
Local Lodging Study ~ Unit & Pillow Counts

HOTELS

2002-2003
2003-2004
2005-2006
2006-2007

UNITS
924
2594
1725
2610

PILLOWS
919
634
696

CONDOS

2002-2003
2003-2004
2005-2006
2006-2007

UNITS
649
3312
619
3509

PILLOWS
809
3796
716
3662

PILLOWS/UNIT

2002-2003
2003-2004
2005-2006
2006-2007

HOTELS
2.80
2.84
2.72
2.46

CONDOS
5.10
5.66
5.12
5.11

HOTELS CONDOS PILLOWS/UNIT

1Sun Valley Ketchum Chamber & Visitors Bureau
With occupancy rates on the decline and condos overtaking hotels in unit rates, it seems that a different kind of lodging is needed. Interest is Ketchum in not lacking; last year there were over 700,000 inquiries to the Visitors Bureau of Ketchum. An overnight rate under $100 would be a refreshing change to the local lodging scene. An affordable per person overnight rate combined with a place where people could congregate with their friends, meet new people, be immersed in the life of the town and have access to the boundless amenities this area has to offer would help meet the demand for better lodging in Ketchum.
Hostelling International

Hostelling International is recognized as the leading hostel organization, consisting of a global network of hostels and over 5 million members. As the preeminent organization, they provide many useful resources for understanding hostel standards, design parameters, development and operational guidelines, and membership rules.

The HI guidelines are a great starting point for framing the program of a new hostel. The following sections highlight the main issues to consider in designing, developing and operating a hostel.

Benefits of Affiliation
Global Branding, 5 million HI Members worldwide, Web exposure at www.hiusa.org, Toll free reservation number 888-GO-HIUSA, Referrals from HI-USA network, Inclusion in HI promotional materials

Obligations of Affiliation
Meet all prevailing local, state, and federal codes, standards, etc. Maintain and post all appropriate government licenses and certificates. Use only the Approved License Name To display the HI-USA and IYHF names and logos To uphold the high standards of HI-USA To promote safety, security, and comfort To contract with HI-USA as a Membership Sales Agent To submit true and accurate reports and fees to HI-USA To prohibit any proselytizing at the hostel To pay all applicable state and local hotel and occupancy taxes To actively participate in the HI-USA comment card program. To maintain a guest satisfaction rate of at least 80 percent Fees: $5/bed annual license; 3.5% gross overnight revenue
HI-USA Hostel Quality Standards

Safety and Security
General
Hallways lit at night; Lockers to accommodate 60% of annual occupancy; Room names and numbers not on keys/cards; Secure entrances and exits at night

Safety and Liability
Staff on site & available when guests have access to hostel

Emergency Preparedness
Fire extinguisher per floor; Two means of egress; Written emergency plan; Record of accidents; First aid kit

Sleeping Rooms
Capacity and Configuration
Single sex rooms available

Human Resources and Training
Staff identifiable by uniform or name tag

Volume Guidelines
Low Volume: 10,000 overnights annually
Mid Volume: 10,000 - 24,999 overnights annually
High Volume: 25,000+ overnights annually

Welcome
Reservation Policy
Accept by mail, telephone or internet; Accept until day end closing of night prior to arrival; Guaranteed for entire night of arrival; Credit Card Accepter

Cancellation Policy
No penalty up to 48 hours before; Major holidays/events may require more notice; Guests informed at reservation time of cancellation policy

Registration Procedures
Government issued ID with photograph; Register name and nationality; Policy to protect financial information of guests; Policy to establish length of stay limitations; No discrimination

Overnight Rates
May be ranges; Cannot charge more than published rates; Post rates at front desk

Open Hours
LV: Two hours, cover 8-9am; 5 hours, cover 6-9pm
MV: 8-10am and 5-10pm
HV: 24 hours

Services and Amenities
Clean linens and pillowcases included in rate; Towels available upon request; Alarm clocks and hairdryers upon request; Day storage for luggage
Hostel Standards

- 60 beds 4 showers
- 60 beds 5 toilets
- 60 beds 10 sinks
- 60 beds 10 showers

Private bathroom requirements:
- 6 beds per single use bathroom (shower, toilet, sink)
- 60 beds 10 showers
- 60 beds 10 toilets
- 60 beds 10 sinks

Communal bathroom requirements:
- 6 beds 1 sink
- 12 beds 1 toilet
- 15 beds 1 shower
- 60 beds 10 showers
- 60 beds 5 toilets
- 60 beds 10 sinks
Developing & Operating a Hostel

Hostel Location

A reason the hostel works is that it is located where people want to be, but it offers accommodations at a fraction of the price of other options in the area.

The hostel must be on or very near major public transit routes. Ideally, these routes will take the hosteller to the major attractions.

The hostel should be located such that basic retail services are within easy walking distance. These services include a grocery, pharmacy, laundromat, bank, medical services, travel services, churches.

It is preferred that there be a good variety of inexpensive restaurants and night clubs in the general area of the hostel.

Building Features

Reception Area
- Secure Desk; Office; Linen Storage; Seating Area for Guests; Bulletin Board; Secure Storage/Lockers

Sleeping Areas
- 30” between beds; Bunk rooms sleep 4-8; luggage storage, table, chairs; 2 hooks per bed; 2 private rooms per 50 beds; 100 to 175 SF per bed

Common Areas
- Dining, sitting, libraries, tv, game, internet, cafes; Kitchen; Laundry

Security
- Public spaces vs. Room Spaces
- Key cards vs. Actual keys
Operating

Check out should be as late as possible

Check in should be as early as possible, taking into consideration managerial constraints. Provide storage if check in is to be late

Open 24 hours; 24 hour access

Office house during the day to accept calls and work on hostel promotion

Provide guests with linens; recommended that staff make beds

Provide local information

Organize activities.

Staffing

Friendly Staff is a must

Knowledgeable of the area

Have a can do attitude

Have experience hostelling, or at least budget traveling

Staff Quarters

Privacy; Outside Access
The building parameter diagrams are a series of investigations made to inform the schematic design phase. The goal of each diagram is to investigate a building issue in a visual way that will in turn act as a tool in the creative design process. These diagrams address a series of architectural questions: What activities are located around the 411 building? How should a room be configured? What should the relationship between rooms be? How does egress inform the interior organization? How should program be divided between floors?
Investigating Building Parameters ~ Room Configurations

Room Configurations 4 - 8 Beds
a) Just Sleeping
b) Sleeping and Lockers
c) Sleeping, Lockers, Bath

Flexible Layout Provides Different “Room” Sizes Depending on Demand
Full Grid Layout Allows for Most Flexible Room Configuration

Multi-Directional Beds Provide Even More Permutations
Investigating Building Parameters ~ Egress & Occupancy

egress

interior egress connections

spaces formed by interior connections
Investigating Building Parameters ~ Public - Private - Admin Massing

- Private Room
- Public Area
- Admin
Building Codes, Planning & Zoning

The overwhelming response from the city has been very enthusiastic. Not only does the city recognize the need for more lodging, but they believe, like we do, that a hostel will provide a solution to a long time need in Ketchum: affordable lodging.

Yet the project is not without its complications. The International Building Code, adopted by the City of Ketchum Building Department, goes into great detail about the limitations and restrictions on an existing building that undergoes a change of occupancy. The most significant of these is having to provide sprinklers throughout.

Installing sprinklers into a building is fairly standard for renovations of this type. Although it can appear to be a large expense, the cost is often equivalent to that of re-carpeting a building. The average cost of installing sprinklers in an existing building is about $1.50 to $3.00 per square foot. For the 411 building, that becomes $11,250 to $22,500 to sprinkle all three floors. There also may be other costs associated with bringing a large water supply into the building from the city.

In a meeting with Dennis at the City, we also determined that because part of the building is undergoing a change of occupancy, the entire building may need to be brought up to code. This would mean that apartment above comes into play. It is not our intention to involve the apartment because it belongs to different owners and would involve larger costs and most likely a slower time-line for development. The code does provide alternative solutions to retro-fitting the entire building that we are currently investigating and working with the City on to find a feasible solution.

The Planning and Zoning Department did not yield any obstacles that we believe would impede the development of the hostel. The most significant issue is that of available parking at the site. The building currently has three parking spaces and a credit of four additional city spaces because of the lot size. The parking-to-use ratios will start to dictate the possible uses for the building. Most notable is that the hostel will require a minimum of two floors in order to provide just three rooms. Ideally, we would envision more sleeping rooms in a hostel of this size.

The options for finding a suitable parking solution vary in scope, price, and creativity. The first option is to come up with an arrangement that maximizes the efficient use of the space of the hostel. Efficiency, in this case, is based on income per use-space: what makes sense from a financial, business, and personal perspective? The second option is to work with the city on a viable parking solution. This involves creating a report that shows the demand for parking in relation to parking alternatives. The last solution is purely financial and involves a one-time in-lieu payment of $20,000 per space, a fee we would recommend avoiding if possible.
**Hostelling**

Hosteling International (HI) is an organization made to brand your hostel by ensuring a set of quality standards. In addition to branding HI administers booking through their website and maintains a separate business website for your hostel. Being a HI hostel, however, comes at a cost of 3.5% of the hostel’s annual nightly earnings. While HI is a good program, it may be more productive to use them as a starting point and see how we can improve the Hostel experience.

Several methods of running a hostel have been outlined in the hostel case study. Sun Valley is a seasonal place yet the town of Ketchum and its proximity to Boise and Twin Falls make the Hostel’s ability to function off season likely. Through our investigation the 411 Hostel would be most profitable if its rates fluctuated seasonally with specials during the off season. The hostel could be even more profitable if it also adjusted rates during events and holidays.

There are several methods of running a hostel in terms of staff. HI requires that a staff member be on the premise at all times and that staff is compensated even during sleeping hours. We have outlined several methods of using three permanent employees with additional part time help. The method that seems most favorable is the 24 hours on/two days off cycle. This method does not require additional part time help. Sleeping quarters would have to be made for the staff.

**Local Lodging**

The state of local lodging leaves a lot to be desired.

Ketchum is not your typical ski resort town. There is no such thing as a ski-in/ski-out lodge. In fact, there isn’t even a lodging option within a half mile of the mountain. So it begs the question, how do people chose what accommodation to stay in? Price? Amenities? Brand?

Price has continued to increase over the years to a point where a room under $100 is nearly impossible. Except for the expansive grounds of the Sun Valley resort, most of the amenities offered by hotels in town are the same as those offered in an city in the United States. They fail to differentiate themselves from typical hotels or represent the qualities of the area that brings tourists here in the first place.

But at the end of the day, the question is whether or not a hostel can survive in what appears to be a hurting hotel economy. The answer to that question lies in the ability to think creatively about the needs of the lodging patrons in town.

A hostel provides something that no other lodging establishment can claim: affordability. There is an opportunity to fill a price-point that has been seriously lacking. Yet a successful hostel is more than just a cheap bed. As designers, we understand the potential of good design: better quality of life and a stronger balance within our environment.
**Budget Analysis**

It is difficult to put precise numbers to what it will might cost to own and operate a hostel in the city of Ketchum. In order to do a complete budget analysis we would have to consider the current mortgage, future construction costs, operating costs, maintenance, taxes, etc.

However, it may be helpful to look at some estimated numbers based on the research we have done to get a feel for the major income source (overnight stays) and expense (full time employees). The numbers below are based on the average occupancy rate for Ketchum.

**Annual Income From Overnight Stays**

<table>
<thead>
<tr>
<th>Overnight Stay Income</th>
<th>$30</th>
<th>$40</th>
<th>$50</th>
<th>$60</th>
<th>$70</th>
<th>$80</th>
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<tbody>
<tr>
<td>30</td>
<td>$164,250</td>
<td>$219,000</td>
<td>$273,750</td>
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<tr>
<td>40</td>
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<tr>
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<td>$365,000</td>
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</tr>
<tr>
<td>60</td>
<td>$328,500</td>
<td>$438,000</td>
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<td>$657,000</td>
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<td>$876,000</td>
</tr>
<tr>
<td>70</td>
<td>$383,250</td>
<td>$511,000</td>
<td>$638,750</td>
<td>$766,500</td>
<td>$894,250</td>
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**Annual Employee Salary**

<table>
<thead>
<tr>
<th>Salary Range</th>
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<th>$45,000</th>
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<td>$45,000</td>
</tr>
<tr>
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</tr>
<tr>
<td>5</td>
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<td>$225,000</td>
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<tr>
<td>6</td>
<td>$180,000</td>
<td>$210,000</td>
<td>$270,000</td>
</tr>
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</table>

**411 Building as a Hostel**

Certain issues arise by classifying the 411 building as mixed use. Having one or two floor operating as office space takes away parking spaces needed to create rooms for the Hostel. We believe that the hostel will need to take at least two floors of the building in order to be economically viable. That being said we also feel like the Hostel has the potential of operating better using all three floors.

HI recommends that each bed in the hostel is allocated 100 sq ft of space distributed between all of the program. Each floor of the 411 building is 2500 sq ft. Therefore each floor can have up to 25 beds. A two floor proposal would yield up to 50 guests while a three floor hostel could accommodate up to 75 guests.

We feel that the 411 building is a great framework to create a hostel around. Our goal is to create a hostel that is not a cheap hotel but rather a vibrant, dynamic place that will leave a lasting impression on its guests.