ATTACHMENT F: Planning and Zoning Commission

- Findings of Fact, September 26, 2011
- Minutes -
  August 22, 2011,
  September 26, 2011, and
  October 10, 2011

BEFORE THE KETCHUM PLANNING AND ZONING COMMISSION

IN RE:	)	Case No: PUD-CUP-08-008
	)	
WARM SPRINGS RANCH	)	KETCHUM PLANNING AND ZONING
RESORT DEVELOPMENT	)	
AGREEMENT	)	
THIRD AMENDMENT	)	COMMISSION - FINDINGS OF FACT
	)	CONCLUSIONS OF LAW AND DECISION
	)	

The above-entitled PUD conditional use permit application came before the Ketchum Planning and Zoning Commission for consideration on August 22nd and September 26th, 2011.
The Ketchum Planning and Zoning Commission having taken written and oral testimony, and having duly considered the matter, makes the following findings of fact, conclusions of law and decision.

FINDINGS OF FACT

A. PROJECT SUMMARY.

Helios Development, LLC, owner of the subject property, is requesting approval of the Third Amendment to the Development Agreement for the Planned Unit Development Conditional Use Permit (PUD CUP) for the Warm Springs Ranch Resort, a proposed five-star designed hotel and mixed-use hospitality project, including significant open space and recreational facilities. The Warm Springs Ranch Resort property is proposed on Tax Lot Numbers 8080, 8079, 8074, 8082, 8075, 8076, 8077 and 8078 in Sections 1, 12 and 13 and a portion of HES 292 T4N, R17E; all located at 1801 Warm Springs Road (property generally known as the Warm Springs Ranch Restaurant and Golf Course).

B. APPLICATION SUBMITTAL.

The application submittal for this application was received by the Ketchum Planning Department on February 11, 2008 and certified complete on February 26, 2008.An update to the formal application submittal was received on May 9, 2008.

C. NOTICE OF PUBLIC HEARING OF THE COMMISSION.

Property owners within 600 feet and agencies were mailed notice on Thursday, August 4, 2011. Notice was published in the Idaho Mountain Express on August 3, 2011 and was posted on site on August 15, 2011.

GENERAL FINDINGS OF FACT

D. PROJECT BACKGROUND

The Ketchum City Council approved the Warm Springs Ranch Resort PUD on April 7, 2009 (City Council Findings of Fact, Attachment A to the September 26th, 2011 Staff Report). Subsequently, the

Council approved the Warm Springs Ranch Resort Development Agreement in August of 2009, (Attachment B to the September 26th, 2011 Staff Report). That document outlined a Phasing Plan, approved by the Council in November of 2009 (Attachment C to the September 26th, 2011 Staff Report). The original Development Agreement was amended in May 2010 (Attachment D to the September 26th, 2011 Staff Report). In January 2011, the City Council approved a twelve (12) month extension of their obligations under the Development Agreement, which was included in Attachment E to the September 26th, 2011 Staff Report.

On July 25, 2011, the Owner, Helios Development LLC, submitted a letter to the Mayor and City Council requesting a modification of its PUD approval and another amendment to the Annexation and Development Agreement (Attachment F to the September 26th, 2011 Staff Report). Helios will separately submit a proposal to amend the Design Review Approval for the project.

At its regular meeting of August 22, 2011, the Planning and Zoning Commission considered the applicant's request for modifications to the PUD and the Annexation and Development Agreement. The applicant requested changes to the previous Workforce Housing and to Golf, Tennis and Recreation Fee requirements. The Commission considered the requested changes and asked for more detailed information, including scaled plans, on the golf practice facility and tennis courts. They also asked for more information on the golf and tennis "Locals Programs". They requested that any audit arrangement of the housing fund not be at the City's cost and that the date by which a building permit be obtained, in order to receive a waiver of the workforce housing requirement, be moved forward to 2013. They also requested that the Parks and Recreation Department research the cost of building tennis courts.

On September 14, 2011, the applicant submitted an updated submittal outlining the proposed changes to the master development plan. The current proposal has eliminated nearly 250,000 square feet from the original project and is to be built in three phases. Phase 1 (357,200 square feet) includes 120 hotel rooms, 31 residential units, public area (bar, restaurant, ballroom, boardroom, living room, and kids' game room), spa and treatment rooms, swimming pool and Jacuzzi, tennis courts, golf practice facility, trails, fishing facility and stream restoration. Phase 2 includes up to 59 creek side residences, and Phase 3 proposes up to 15 ranch homes. See comparison matrix below:

Comparison of 2009 PUD with 2011 Amendment Request

Component (Core Hotel Bldg.)	**Number of Units 2009 PUD**	**Gross Square Footage 2009 PUD**	**Number of Units 2011 Proposal**	**Gross Square Footage 2011**
Hotel Rooms	120-126	102,856	120	Not Available
Other Hotel Spaces		77,227		Not Available
Interior Public Areas[1]		59,378		Not Available
Fractional Ownership	20	51,615	0	
Residences	36	107,072	31	Not Available
Parking				
Parking Structure and Mechanical	369 Structured Stalls; 35 surface stalls	109,750	82 surface	30,000
Subterranean Parking	70; a part of the 369 structured stalls above	28,625	70	40,000
Total Maximum Parking		***109,750 (above grade Square footage)***		***70,000***
Total Maximum Core Hotel Bldg.	***182***	***538,151***		***356,000***
Remaining Block 1				
Workforce Housing	44	36,295	0 – subsidy fund	
Residences			74	Not Available
Town Homes	12-24	75,953		
WS Ranch Restaurant		6,500		
Maximum Block 1		***620,146***		
Villas + 1 Events House	26	96,500		
Estate Lots	2	11,800		
PROJECT TOTAL		***728,446***		Not Available

[1] Includes Conference/Meeting space, Lobbies & Restaurants

E. APPLICANT REQUEST

2.1 Section 13 (Workforce Housing) is deleted and the following is substituted therefore:

"If Owner applies for a building permit on or before June 1, 2014 to construct improvements as part of the Project, the Workforce Housing requirement under the City Code, is hereby unconditionally waived and the Owner shall have no obligation to provide said Workforce Housing or any portion of it. If Owner does not apply for a building permit by the stated deadline then in lieu of the Workforce Housing requirement under the City Code, Owner shall establish a dedicated Workforce Housing fund ("Fund") with revenue derived from Owner's Gross Sales (as defined below). The amount of revenue would be one-half of one percent (0.50%) of Gross Sales until $250,000 was paid to the Fund. "Gross Sales" means the gross selling price of all merchandise or services sold, or delivered, in the ordinary course of business at the hotel (not including any other place of business). Whether for cash or on credit, except for the following: (i) the selling price of all merchandise returned by customers and accepted for full credit, or the amount of discounts, refunds, and allowances made on such merchandise, (ii) merchandise returned for or transferred to another store owned by or affiliated with Owner, (iii) gift certificates, or similar vouchers, until such time as they shall have been converted into a sale by redemption, (iv) sales and use taxes, and other similar taxes now or in the future imposed on the sale of merchandise or services, and (v) sales of real property, fixtures, equipment, or personal property that are not merchandise sold in the ordinary course of business at the hotel.

Owner shall furnish to City a statement of Gross Sales within fifteen (15) days after the end of each calendar quarter and an annual statement of Gross Sales within twenty (20) days after the end of each calendar year. Each statement shall be signed by Owner or its authorized representative. Owner shall keep full and accurate books of account, records, cash receipts, and other pertinent date showing its Gross Sales. City shall be entitled within one (1) year after expiration or termination of a statement period to inspect and audit all of Owner's books of account, records, cash receipts, and other pertinent data relating to Gross Sales, so City can ascertain Owner's Gross Sales. Owner shall cooperate fully with City in making the inspection. If the audit shoes that there is a deficiency in the payment of any moneys to the Fund, the deficiency shall become immediately due and payable. The costs of the audit shall be paid by City unless the audit shows that Owner understated Gross Sales by more than five percent (5%), in which case the Owner shall pay all costs of the audit. City shall keep any information gained from such statements, inspection or audit confidential and shall not disclose it other than to carry out the purposes of this Agreement.

The Fund would be maintained by Owner in a segregated account ("Workforce Housing Account") and would be used solely to subsidize housing costs of eligible hotel employees (as defined below). "Eligible Employee" means _____. Upon presentation to Owner of a written application for housing assistance from an Eligible Employee Owner shall disburse from the Workforce Housing Account to the landlord, mortgagee or third party providing housing to the Eligible Employee up to $, or % of said Eligible Employee's housing costs."

Local Golf Program:

2.2 The second sentence of Section 16 (Active Recreation) and all of Section 16.1 (Local Golf Program) are deleted and the following is substituted therefore:

"Owner shall construct a golf practice facility as depicted on the plan attached hereto as Exhibit "___". The golf practice facility shall be open to the public and shall include a "Locals Golf Program" consisting of the following:"

Section 16 and 16.1 of the original Annexation and Development Agreement state:

16. ACTIVE RECREATION.

Owner, at its sole expense, shall construct trails and pedestrian paths as set forth in this Agreement and in the PUD Development Plan. In addition, Owner shall construct a nine-hole golf course as shown on the PUD Development Plan and donate funds to mitigate impacts to tennis and other recreation programs in Ketchum, as more specifically provided in Section 16.2 herein. Owner and Ketchum agree to consider refurbishing the existing decommissioned tennis courts on the PUD Property, with costs to be split equally between the Parties, up to a maximum of $80,000 (or $40,000 each), and agree to enter into a separate agreement for interim use of the existing tennis courts on the PUD Property.

16.1 Local Golf Program. The golf course constructed on the PUD Property shall be open to the public, with a "Locals Golf Program" provided as follows: (i) tee times will be every ten (10) minutes, or six (6) per hour, with advanced booking required for all tee times (advanced booking means one week from the desired date of play); (ii) the golf course will have "locals" pricing of no less than 20% off the regular resort rate; (iii) the peak hours for the golf course will be 8:00-10:00 a.m. and 4:00-6:00 p.m., and the peak golf season will be from June 20 to Labor Day (shoulder season will be from opening day to June 20 and Labor Day to closing day); (iv) one tee time is considered a group of no more than four (4) golfers, and the pro shop will reserve the right to pair local golfers to create more efficient tee times; (v) local tee times will be published seasonally in the local newspaper and made available on-line; (vi) walkers will be permitted; and (vii) all adjustments in locals pricing will be tied to the CPI. The Locals Golf Program may include one or more of the following special events or programs: junior golf play days; ladies golf play days; Warm Springs Championship tournament; 9, Wine and Dine; and charity tournaments. As used in this Agreement, "Locals" means: (i) full-time Ketchum residents; (ii) persons employed full time in Ketchum; or (iii) persons owning a business in Ketchum.

16.1.1 Weekday Rules for Peak Season. Locals will be allowed to have access to the golf course every day during the week. Local access will be limited to two (2) tee times back to back per hour during the peak hours of every day of the week. For the remainder of the day, locals will be allowed up to three (3) tee times per hour. Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to three (3) tee times during peak hours and up to four (4) tee times during non-peak hours.

16.1.2 Weekend Rules for Peak Season. Locals will be allowed to have access to the golf course both days of the weekend. Local access will be limited to two (2) tee times per hour during the peak hours of Saturday and Sunday. During non-peak hours, locals will be allowed up to three (3) tee times per hour.

Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to three (3) tee times during peak hours and four (4) tee times during non-peak hours.

16.1.3 Weekday and Weekend Rules for Shoulder Seasons. Locals will be allowed three (3) tee times per hour during peak hours. During non-peak hours, locals will be allowed up to five (5) tee times per hour. Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to four (4) tee times during peak hours and five (5) tee times during non-peak hours.

16.1.4 Twilight Rounds. Twilight rounds will be from 6 PM – the last tee time each day, will require a tee time, and will be subject to tee time rules as stated in Sections 16.1.1, 16.1.2, and 16.1.3 herein. Locals will receive special pricing of no less than 40% off the resort rate for Twilight Rounds.

Summary:

The Owner is proposing to substitute a golf practice facility for the originally agreed upon nine hole, three par golf course. A "Locals Golf Program" is still included in the proposal.

Recreation Contribution:

2.3 Section 16.2 (Recreation Contribution) is deleted in its entirety and the following substituted therefore:

"Owner shall construct two tennis courts in the first phase of the Project and one additional tennis court in each of the subsequent two phases of the Project. The tennis courts shall be constructed in the locations depicted on the plan attached hereto as Exhibit "___".

Section 16 .2 of the original Annexation and Development Agreement states:

16.2 Recreation Contribution. Owner agrees to a financial donation of $500,000 to Ketchum that may be used either for the replacement of the decommissioned tennis courts on the PUD Property, a children's splash park or skate park, or other recreational facilities and needs Ketchum deems appropriate. Such donation shall be made at such time as is mutually agreed upon by Ketchum and Owner, taking into consideration the possibility of refurbishing the existing WSRR tennis courts as set forth in Section 16 herein and Ketchum's timeline for the development of new tennis courts. In the event Ketchum and Owner agree to refurbish the existing tennis courts on the PUD Property, Ketchum's portion of any refurbishment costs may be paid via a deduction in Owner's required recreation contribution, and Owner's portion of any refurbishment costs shall be in addition to such recreation contribution.

Summary:

The Owner is proposing to construct four tennis courts (two (2) in Phase 1 and one (1) in each of the subsequent, as yet to be determined, phases) on site rather than pay the financial donation of $500,000 to Ketchum. Refurbishing the existing WSRR courts on site is outlined as a possibility above. However, four courts do not replace the original eight WSRR courts, nor does it equate to the $500,000 donation, which was deemed to be the reasonable mitigation to mitigate the loss of the eight existing courts.

F. KETCHUM CITY CODE 16.08.080(A) (PUD) EVALUATION STANDARDS.

1. Minimum lot size of three acres. All land within the development shall be contiguous except for intervening waterways. Parcels that are not contiguous due to intervening streets are discouraged. However, the commission and the council may consider lands that include intervening streets on a case by case basis. The commission may recommend waiver or deferral of the minimum lot size and the council may grant said waiver or deferral only for projects which:

a. Include a minimum of thirty (30) percent of community or employee housing, as defined in Section 16.08.030;
b. Guarantee the use, rental prices, or maximum resale prices thereof based upon a method proposed by the applicant and approved by the Blaine County housing authority and/or the Ketchum city council; and,
c. Are on parcels that are no less than one and one-half acres (sixty-five thousand three hundred forty [65,340] square feet). Application for waiver or deferral of this criteria shall include a description of the proposed community or employee housing and the proposed guarantee for the use, rental cost, or resale cost thereof; or,
d. For a hotel which meets the definition of hotel in Chapter 17.08, Definitions, and conforms to all other requirements of Chapter 17.64, Community Core District. Modifications or waivers from the provision of Chapter 17.64 may be granted for hotel uses only as outlined in Chapter 17.64.010(H)(c).

Finding: The applicant is not requesting a change to the approved Community Housing requirement or the minimum lot size of approx. 77 acres. Employee Housing is more specifically regulated in Zoning Code Section 17.52.010.H Tourist Zone District, and is analyzed under Standard #17, herein. The Commission found that this standard has been met, as no changes are proposed to the approved PUD.

2. That the proposed project will not be detrimental to the present and permitted uses of surrounding areas.

Finding: The original PUD determined that this standard had been met with a "Tent Diagram" concept. The July 25, 2011 letter from Helios states revised square footage numbers for the hotel and residential components within Phase 1, which are reduced in scale from the original proposal. The applicant has stated that these changes will fit within the adopted Tent Diagram and either meet or increase setbacks established in the original PUD approval. These changes will be processed as a separate request. The changes will modify both the adopted PUD and the Design Review approval. This standard has been met. The design review process shall verify the specifics of compliance.

3. That the proposed project will have a beneficial effect not normally achieved by standard subdivision development.

Finding: The original PUD determined that this standard had been met as the project was determined to have a beneficial effect not normally achieved by a standard subdivision. The changes proposed do not affect this finding; this standard has been met.

4. The development shall be in harmony with the surrounding area.

Finding: No change to the approved PUD or Design Review have been requested at this time. The current project is smaller than the original, will be designed within the agreed upon "Tent Diagram" and will be set back further from Warm Springs Road. This standard has been met. The design review process shall verify the specifics of compliance.

5. Densities and uses may be transferred between zoning districts within a PUD as permitted under this chapter provided the aggregate overall allowable density of units and uses shall be no greater than that allowed in the zoning district or districts in which the development is located. Notwithstanding the above, the commission may recommend waiver or deferral of the maximum density and the council may grant additional density above the aggregate overall allowable density only for projects which construct community or employee housing; and which:

a. Include a minimum of thirty (30) percent of community or employee housing, as defined in Section 16.08.030; and,
b. Guarantee the use, rental prices, or maximum resale prices thereof based upon a method proposed by the applicant and approved by the Blaine County Housing Authority and/or the Ketchum City Council.

Application for waiver or deferral of this criteria shall include a description of the proposed community or employee housing and the proposed guarantee for the use, rental cost, or resale cost thereof.

Finding: The original PUD determined that this standard was not applicable, because the applicant met the zoning density requirements and was requesting no waivers. The changes outlined in the July 25, 2011 letter from Helios would not change this analysis. Therefore, this standard has been met.

6. That the proposed vehicular and non-motorized transportation system:

- **a) Is adequate to carry anticipated traffic consistent with existing and future development of surrounding properties;**
- **b) Will not generate vehicular traffic to cause "undue congestion" of the public street network within or outside the PUD;**
- **c) Is designed to provide automotive and pedestrian safety and convenience;**
- **d) Is designed to provide adequate removal, storage and deposition of snow;**
- **e) Is designed so that traffic ingress and egress will have the least impact possible on adjacent residential uses. This includes design of roadways and access to connect to arterial streets wherever possible, and design of ingress, egress and parking areas to have the least impact on surrounding uses;**
- **f) Includes the use of buffers or other physical separations to buffer vehicular movement from adjacent uses;**
- **g) Is designed so that roads are placed so that disturbance of natural features and existing vegetation is minimized;**
- **h) Includes trails and sidewalks that creates an internal circulation system and connect to surrounding trails and walkways.**

Finding: No current Transportation or Site Plans have been submitted at this time. It is likely that overall traffic volumes will be lower based on a reduced project size. This standard has been met subject to further analysis of traffic impacts at the time of additional design review.

7. That the plan is in conformance with and promotes the purposes and goals of the comprehensive plan, zoning ordinance, and other applicable ordinances of the city, and not in conflict with the public interest.

a. Pursuant to Section 16.08.070.D, all of the design review standards in Chapter 17.96 shall be carefully analyzed and considered. This includes detailed analysis of building bulk, undulation and other design elements. The site plan should be sensitive to the architecture and scale of the surrounding neighborhood;

b. The influence of the site design on the surrounding neighborhood, including relationship of the site plan with existing structures, streets, traffic flow and adjacent open spaces shall be considered;

c. The site design should cluster units on the most developable and least visually sensitive portion of the site.

Finding: The original PUD determined that this standard had been met. The current project is smaller than the original, will be designed within the agreed upon "Tent Diagram" and will be set back further from Warm Springs Road. This standard has been met. The design review process shall verify the specifics of compliance.

8. That the development plan incorporates the site's significant natural features.

Finding: The original PUD determined that this standard had been met. No material changes have been proposed to the original design, with the exception of less development. This standard has been met.

9. Substantial buffer planting strips or other barriers are provided where no natural buffers exist.

Finding: The original PUD determined that this standard had been met. No material changes have been proposed to the original design, with the exception of less development. This standard has been met.

10. Each phase of such development shall contain all the necessary elements and improvements to exist independently from proposed future phases in a stable manner.

Finding: Phase 1 proposes a stand-alone hotel and residences with golf practice facility, tennis, trails and stream restoration. It proposes a voluntary revenue stream to support employee/workforce housing, once the hotel is in operation. Phases 2 proposes up to 59 housing units, and Phase 3 proposes up to 15. A full development and phasing plan will be finalized in conjunction with the City's Design Review process. A full Construction Mitigation Plan is a requirement of the Development Agreement that includes a public process in front of the City Council. The proposed phasing schedule and commitment at this time by the applicant is sufficient based on the current market environment, with the condition that a detailed Phasing Plan, including the number of phases, buildings, amenities and other elements made part of each phase, be specifically approved by the Council as an amendment to the Development Agreement. This phasing plan will be made a part of or coincide with Design Review.

The July 25, 2011 letter from the Applicant proposed that all employee housing requirements would be waived if the applicant applies for a building permit by June 1, 2014. The Commission considered the following Draft Condition of Approval in their September 26th meeting:

1. The time frame during which a waiver shall be granted for the employee/workforce housing requirements shall be modified if the following deadlines are met:
   a. A building permit is applied for by December 31, 2013; and
   b. Construction commences before December 31, 2014; and
   c. A certificate of Occupancy for the Hotel portion of the project is issued by January 31, 2017.

The Commission found that this approach of waiving the employee housing if a permit is applied for by a given deadline would be a strong motivator in the case where the developer was required to construct housing or pay cash towards employee housing construction. However, in the case where employee housing is being mitigated with a revenue stream derived from hotel operations and there are no "up front" costs, some members of the Commission did not find there to be a strong link between the timing of the hotel construction and the need to mitigate employee housing. Commissioners debated this issue, and on a vote of 3 to 2 opted not to include the above condition related to the waiving of employee housing tied to building permit application.

11. Adequate and useable open space shall be provided. The applicant shall dedicate to the common use of the homeowners or to the public adequate open space in a configuration useable and convenient to the residents of the project. The amount of useable open space provided shall be greater than that which would be provided under the applicable "aggregate lot coverage" requirements for the zoning district or districts within the proposed project. Provision shall be made for adequate and continuing management of all open spaces and common facilities to ensure proper maintenance thereof.

Finding: The original PUD determined that this standard had been met. No material changes have been proposed to the original design, with the exception of less development. This standard has been met.

12. Location of buildings, parking areas and common areas shall maximize privacy within the project and in relationship to adjacent properties and protect solar access to adjacent properties.

Finding: The original PUD determined that this standard had been met. No material changes have been proposed to the original design, with the exception of less development. This standard has been met.

13. "Adequate recreational facilities" and/or daycare shall be provided. Provision of adequate on-site recreational facilities may not be required if it is found that the project is of insufficient size or density to warrant same and the occupant's needs for recreational facilities will be adequately provided by payment of a recreation fee in lieu thereof to the city for development of additional active park facilities. On-site daycare may be considered to satisfy the adequate recreational facility requirement or may be required in addition to the recreational facilities requirement.

Finding: In the 2008, due to the magnitude of the PUD and the fact that this is the largest project proposal on record to be reviewed by the City, the Commission determined the Warm Springs

Ranch PUD was of sufficient size to require "adequate recreational facilities" as part of the PUD process.

At the time of the original PUD process, the Applicant proposed approximately ten (10) acres of active open space consisting mainly of the golf course which would be open for semi-public use. Approximately fifty-seven (57) additional acres of natural passive open space was proposed.

The current application eliminates the golf course and replaces it with a "Dave Pelz" golf teaching facility with 10-12 greens. Two tennis courts are proposed in Phase 1, and one in each of Phases 2 and 3. The trail system and fishing opportunities are unchanged. The applicant described the function and use of the teaching facility in the September 26th hearing.

The Warm Springs Ranch property has traditionally provided recreational activities in both active and passive forms including tennis courts and a golf course, access to Warm Springs Creek for fishing, nature walks and general scenic viewing of the landscape. Historically, the public has greatly benefited mainly from the active recreational uses of golf and tennis.

The following recreation analysis was included in the original PUD Findings:

A. Ketchum Comprehensive Plan

The Ketchum Comprehensive Plan is very specific regarding the need for active park space. It is also specific in directing the City to "actively pursue active recreational or useable open space for the Warm Springs Neighborhood, particularly on flat, undeveloped land in Central Warm Springs" (Policy 4.9.6). "Adequate recreational facilities" are not defined in the PUD, Subdivision or Zoning Ordinances or in the Ketchum Comprehensive Plan. This standard would be used to address impacts associated specifically with this proposal. This includes the decommissioning of a major active recreational facility on subject property - eight (8) tennis courts.

The Ketchum Comprehensive Plan is very specific regarding the need for active park space. It is also specific in directing the City to "actively pursue active recreational or useable open space for the Warm Springs Neighborhood, particularly on flat, undeveloped land in Central Warm Springs" (Policy 4.9.6). "Adequate recreational facilities" are not defined in the PUD, Subdivision or Zoning Ordinances or in the Ketchum Comprehensive Plan. This standard would be used to address impacts associated specifically with this proposal. This includes the decommissioning of a major active recreational facility on subject property - eight (8) tennis courts.

Chapter 2.8 of the Ketchum Comprehensive Plan; Parks, Recreation Trails, and Cultural Resources lists Ketchum's developed parks. Table 14 (below) in Chapter 2.8 provides further detail consisting of the park, its acreage, and function. Map 8 (page 125 of the Comprehensive Plan); Open Space, Recreation and Heritage, provides graphical details on park locations, other open spaces and trail system serving the City.

Table 14: Ketchum Developed Parks

Park	Acreage (approx.)	Function
Atkinson Park	16.5	Active sports, recreation building
Forest Service Park	1.1	Passive, historic park, open space and museum
Little Park	0.2	Small passive park space adjoining Ore Wagon Museum
Rotary Park	1.9	Passive open space, river frontage

Currently, there are 19.7 acres of active and passive parks in the City of Ketchum. This is an average of approximately 6.1 acres of community park land per thousand (1,000) community population. The Blaine County Recreation District (BCRD) has a standard of 12 acres of neighborhood and community parks per one-thousand (1,000) population. Ketchum is well below this standard and staff recommended the Commission require extensive public access to the golf course and a thorough assessment of the donation (in lieu of tennis) to provide an adequate off-site tennis facility park that would also increase the City of Ketchum's active park acreage.

The Parks Department has placed a high priority on "no net loss" of recreational facilities in reviewing PUD and annexation proposals. The 2001 Ketchum Comprehensive Plan outlines current park facilities within the City and compares these facilities to adopted Park Standards. Almost all jurisdictions that plan for recreation needs separate park facilities into categories such as "active" and "passive". These categories are important as user needs and are very different for different facilities and activities. Jurisdictions that have more complete park planning underway often break down "active" and "passive" into more detailed categories such as:

Sports Fields (Soccer/Multi-Use Field, Base Ball Field)
Courts (Tennis Court, Basketball Court, Volleyball Court)
Outdoor Recreation (Skate Park, BMX Track, Paved Multi-use Trail, Dirt/Gravel Trail, Fishing Accessible Shoreline, River Put-in, Take-out)
Leisure (Playground, Family Picnic Area, Park Benches)
Other (Swimming Pool, Ice Hockey Rink, Outdoor Events Venue)

Some of the facilities listed above do not fall easily into either category. Until the City can undertake a more detailed Parks and Recreation Plan, and for purposes of this project proposal, staff recommended that active facilities be those facilities that are designed for group team sports and intensive high activity: Soccer/Multi-Use Fields, Base Ball Fields, Tennis Courts, Basketball Courts, Volleyball Courts, Swimming Pools, Golf Courses, Ice Hockey Rinks, Skate Parks and BMX Tracks. The Commission found that the golf course shall be considered an active recreational use.

<u>2008 Approved Tennis Mitigation</u>:

The eight (8) existing tennis courts on the property will be permanently decommissioned due to the Applicant's Statement of Constraints and the Construction Development Program. In lieu of tennis, the Applicant proposed a financial donation of $500,000 to the City to be used for the creation of new, off-site tennis courts, improvements to existing tennis courts and/or facilities

supplemental to tennis courts (i.e. bathrooms, water fountains, etc.) or to build a children's splash park, to be paid in an initial installment of $200,000 (due 1/15/12) and subsequent installments of $100,00 annually.

2011 Revised Tennis Proposal:

The eight (8) existing tennis courts on the property will be replaced with two (2) courts in Phase 1 and one (1) court in each of two (2) subsequent phases, for a total of four (4) courts. This results in a net loss of four (4) tennis courts to the City. No financial donation was proposed by the applicant. The applicant was amenable to a condition of approval, similar to the voluntary fee proposed to support affordable housing, to establish a Recreation Fund for use at the discretion of the Parks and Recreation Department.

2008 Approved Golf Course and Public Use Plan:

The Applicant also proposed to redesign and augment the previous existing golf course. An executive nine (9) hole par three (3) golf course with a pro-shop of approximately 1,000 square feet is proposed. Five (5) of the holes are proposed west of the core hotel and south of Warm Springs Creek, traversing along the creek and amongst the Villas. The remaining four (4) holes are proposed for the southeast portion of subject property. A Golf Course Program has been proposed, with distinctive scheduling and pricing for locals. Highlights of the Golf Course Program include:

- Pricing of no less than twenty (20) percent off the regular resort rate for locals;
- Access to the golf course seven (7) days a week, yet limited to one (1) tee time per hour during peak hours (8-10 AM and 4-6 PM) and no more than two (2) tee times per hour; and
- Special programs and events at the golf course including Junior and Ladies Play Days, a Warm Springs Championship, and Charity Tournaments.

Detail on the Golf Course Program is included in Section 4.6 of the WSRR Recreation Program in the Applicant Updated Submittal on May 9, 2008. During the June 10, 2008 meeting the Applicant stated that during peak season (Memorial – Labor Day) locals will have access to the golf course and allowed up to 50% of tee times on weekdays, and up to 44% on weekends. During shoulder season (before Memorial and after Labor Day) locals will be allotted up to 78% of tee times on weekdays and weekends with tee times every ten (10) minutes or six per hour.

The Applicant believes that with their project proposal and planned golf course, that there is no overall net loss of recreational facilities on subject property. This supplemented with the fact that prior to the submittal of the PUD and Annexation Application, the tennis and golf were already decommissioned

2011 Revised Golf Proposal:

The Applicant is no longer proposing an executive nine (9) hole, par three (3) golf course. Instead, a "Dave Pelz Final 40" golf practice facility is proposed. The Applicant explained the concept of the teaching facility at the September 26th hearing. The proposed "Locals Program" remains essentially unchanged.

2008 Approved Trails Plan:

An integrated year round trail system is proposed that includes connections with future trails to Warm Springs. The Applicant has submitted a Conceptual Trails Plan for the site in Part 2, Exhibit S.14 of the May 9, 2008, submittal. A public multi-use, non-motorized easement will be dedicated for access to the proposed trail system throughout the property as designated and along Warm Springs Creek. A variety of trails have been proposed including a streamside trail on both the north side of Warm Springs Creek near the core hotel building and on the south side of the creek along the northwest portion of subject property. Additionally, connectivity to the existing Warm Springs Road multi-use path for access to Heidelberg Trail and Adam's Gulch is proposed in addition to a cross country ski trail and mountain trail linkage. (Staff has stated that recreational trails do not appear to meet the spirit of Active Recreational Needs as described in the Ketchum Comprehensive Plan).

The Commission and the Parks Department requested information and analysis from the Applicant on Trail Connectivity to Existing Parks (specifically Atkinson Park) during the April 1, 2008, Open House and P&Z Workshop. Section 4.7 of the May 9, 2008, submittal details the Applicant's analysis, which consists primarily of design and financial barriers to the proposed trail linkage. Staff recommends that a collaborative effort between the Applicant, Blaine County Recreation District, and the City be explored to assist in overcoming design and financial barriers. This trail linkage would provide additional public passive recreational space and provide walk able access to the golf course and Warm Springs Creek and other public amenities on the subject property.

2011 Trails Proposal:

No change to the approved trail system is currently proposed. However, the proposed elimination of the golf course may increase trail and open space opportunities.
008 Approved Pool and Spa Proposal:

The core hotel will include a spa of approximately 13,000 square feet that will be open to the public for a fee. An indoor/outdoor pool is also proposed but public access has not been stated. The Commission found that neither of these amenities meet the City's needs for "Useable open space" or "Active Recreation," given the potentially limited public access to these amenities.

2011 Pool and Spa – Current Proposal:

No change to the approved pool and spa is currently proposed.

2008 Approved Warm Springs Creek Proposal:

The project proposal details design and restoration of Warm Springs Creek along portions of the property to augment the existing scenic experience and fishing access. A ten (10) foot fisherman and nature study easement and a twenty-five (25) foot scenic easement will both be dedicated along the banks of Warm Springs Creek through the property as required by Section 16.04.040 (J) of the Ketchum Subdivision Ordinance. (Staff has stated that the proposed fishing access does not

appear to meet the spirit of Active Recreational Needs as described in the Ketchum Comprehensive Plan).

2011 Warm Springs Creek Proposal:

No change to Warm Springs Creek access is currently proposed.

2008 Approved Day Care Plan and 2011 Proposal:

It has not been determined if on-site day care will be provided by the Applicant. At this time no details have been provided.

B. 2008 Parks Department Active Recreational Programs: Tennis and Golf Analysis

The Parks and Recreation Department has submitted a detailed memo and materials, including data on tennis and golf programs offered through their department and in the North Valley, as well as community benefits from these recreational programs and historical involvement with the Parks Department.

Tennis:

Since the previously existing eight (8) tennis courts on the Warm Springs Ranch property have been decommissioned, Staff feels it is important to discuss and provide a brief history of Warm Springs Tennis Club to understand the ramifications of the loss of tennis.

Table 15: Historical Programs and Estimated Daily Participation at Warm Springs Tennis Club

Program/Event	Daily Participation
Monday & Wednesday Ladies' Day (two sessions)	40
Tuesday & Thursday Men's Day (two sessions)	36
Friday Mixed Doubles	24
Monday – Thursday Junior Clinics (3 sessions)	45
Private Instruction	18
Membership and Guest Play	60
Two USTA sanctioned tournaments (per summer) Adult and Junior age brackets	300
Community School Practices and Matches	40

The Warm Springs Tennis Club provided a multitude of community benefits including:

- A venue for adults and youth to socialize.
- Provided opportunity and facilities for youth to establish the skills necessary for high school team participation.
- Provide youth the opportunity to increase tennis skill level.
- Attracted numerous visitors to town.
- Employment for 8 persons.

The Ketchum Parks Department was heavily involved with the Warm Springs Tennis Club and allowed for the sharing of instructors, provided courts for Park Junior Tournaments, provided training clinics for park tennis staff and shared equipment to help reduce overhead costs for tennis programs.

Tennis has been the most successful high school sport throughout this valley within the past 10 years. Many (individual and team) district and state champions have come out of Wood River High School and the Community School. This has been a direct result of the junior programs offered at the Warm Springs Tennis facilities. In the spring of 2010 approximately forty (40) children participated in tennis at the Community School and over seventy (70) children played at Wood River High School.

The Parks Department currently offers a variety of seasonal tennis programs with a full participation level at Atkinson Park. These are listed below with participation levels.

Table 16: Current Ketchum Parks Department Tennis Programs

Program	Participation
Spring after school programs (4th - 5th grade)	20
20 Summer programs (4 days/wk, 9am-4pm, 3rd – 9th grade)	516
Winter program at Zenergy (7th – 12th grade)	40
Fall after school programs (4th & 5th grade)	30
Tennis Block Party (June)	30
3 mid-summer tournaments	200

The costs for these programs are very minimal; Forty dollars ($40) for a ten (10) class session (1½ hr long classes). Six (6) youth-staff are hired during the summer months to run the tennis program and many of those staff historically have been participants in the program. Presently, four (4) outdoor tennis courts are available at Atkinson Park for the programs. In the summer months, the courts are exclusively used from 9am-4pm for the junior program with approximately 30-40 children on the courts at any given time. Men's groups also meet informally at the Atkinson Park courts to play and practice after the daily programs have completed. Tennis 101 was taught on Wednesday evenings throughout the summer attracting around 20 juniors and adults..

Currently, North Valley Tennis facilities are limited and have varying scheduling, pricing and availability.

Municipal Courts:

There are four (4) public tennis courts in the City of Ketchum at Atkinson Park (free of charge, no reservations, first come-first served). These are used from June 13th – August 19thbetween the hours of 9am-4pm held exclusively for the Youth Tennis Program. Public access is before 9am and after 4pm Monday through Thursday, and all day Friday, Saturday, and Sunday.

Private Courts:

There are courts in Sun Valley and Elkhorn that are used by lodge and resort guests. Public can pay a fee for use when they are not occupied. Zenergy has two (2) private indoor courts that are used by the parks program in the winter. Bigwood, Weyyakin and Lane Ranch have private courts for their homeowners. The Ketchum Parks & Recreation Department has been fortunate to have access to Lane Ranch and Bigwood for some of their junior tournaments.

School District Courts:

There are six (6) courts at the high school in Hailey that are used for the tennis team and run by the school district. There are two (2) courts at the middle school in Hailey that are also run by the school district. Nearly eighty percent (80%) of the children on the two local high school tennis teams have been raised on the four courts at Atkinson Park, as well as the eight courts at the previous Warm Springs Ranch.

Golf:

The Parks Department currently offers a limited schedule of summer golf programs primarily due to facility limitations. Golf continues to be the second most-popular program (behind tennis) offered through the Parks Department. The following is a summary of current programs offered and supplemental details:

- Six (6) golf programs for 3rd-9th grades (200 participants).
- One (1) annual junior tournament in June at Bigwood Golf Club (30 participants).
- Three (3) out of town excursions to other golf courses (30 participants).

The use of the Warm Springs Ranch and Bigwood golf courses has been valuable for the Parks 6th -10th grade program. Costs of these programs are minimal as well; Forty dollars ($40) for a ten (10) class session with 1½ hr long classes. Participants in the 6th-10th program have the ability to play Bigwood during the summer months. Eight (8) youth-staff are hired to teach and coach the children in the Summer Golf Program. Many of the children that have participated in the Parks program presently play on the Wood River and Community School's golf teams.

There are currently four (4) golf courses in the North Valley that are either public or private.
Bigwood Golf Club at Thunder Spring is public ($42 9-hole rate). Sun Valley Golf Course is public ($80 9-hole rate); Elkhorn Golf Course is semi-private ($185 18-hole rate),and has not been supportive of junior play. The Valley Club is private.
Currently, Bigwood Golf Club at Thunder Spring ($25 All day Junior rate) is the only course in the valley that is a viable and economical option for our youth to play. Bigwood has been very

generous with their acceptance of the Parks golf program by hosting an annual Junior Chuck Gates golf tournament and providing range and course use to our participants.

Warm Springs Golf Course was an ideal type of course for junior golfers as well as a valuable public recreation amenity with affordable greens fees.

As related to golf, Parks Department Staff recommended the following:

1. Public use for the golf course to be published seasonally in the paper.
2. Locals shall have the ability to purchase passes.
3. Two (2) tee times shall be allowed back to back.
4. A twilight pricing plan shall be available for locals.
5. The course shall be walkable if desired.
6. Regular access for the Park's Junior Golf Program in the summer with passes available.
7. Endowment shall be set up by the developer unless sufficient access, facilities and programs are made available.

Specific comment by the Parks Department has been provided on the Warm Springs Ranch Recreation Program and proposal as a whole related to public recreation. Staff recommended the following requirements:

1. If new courts are constructed off-site with an in-lieu donation, they shall be available to the public just as the previous Warm Springs Tennis Club.
2. A $500,000 donation (in-lieu of tennis) for the (six) 6 court construction with a clubhouse/restroom facility. This recommendation of an increased donation places into consideration the net loss of two tennis courts (active) and the current lack of land available for construction and that acquired or shared land is still necessary to build the courts.
3. $7,500 annually for a recreation program endowment to be used towards renting courts, and hiring tennis professionals to teach our youth.

(A bid for six tennis courts totaling approx. $335,000, dated April 9, 2008, from Valley Paving in Bellevue, Idaho was submitted as a part of Department comment.)

Staff recommended that as the Commission reviewed this standard they should consider the in-lieu donation and whether a net loss of two (2) tennis courts (8 existing decommissioned) and the current lack of land available for construction of tennis courts should be offset in the difference between the aforementioned bid and the $500,000 recommended donation (in-lieu of tennis).

As related to golf, Parks Department Staff recommended the following:

1. Public use for the golf course to be published seasonally in the paper.
2. Locals shall have the ability to purchase passes.
3. Two (2) tee times shall be allowed back to back.
4. A twilight pricing plan shall be available for locals.
5. The course shall be walk able if desired.
6. Regular access for the Park's Junior Golf Program in the summer with passes available.
7. Endowment shall be set up by the developer unless sufficient access, facilities and programs are made available.

The Parks Department has commented that with construction of this type of resort, there will be additional "guest impacts" on the existing active and passive City recreational facilities. People come to this area to recreate and enjoy their lives outdoors. Visitors to mountain towns love to play tennis and golf and we do not currently have the space to accommodate those visitors with our existing facilities.

The Commission found that the $7,500 annually for a recreation program endowment to be used towards renting courts, and hiring tennis professionals to teach our youth was not necessary and the economic contribution for recreation is sufficient in the lump sum donation as determined by the City Council during negotiation of the Development Agreement.

The Council found that a contribution of $500,000 was adequate mitigation for the loss of active recreational facilities. The Council determined that the timing of this donation should be outlined in the Development Agreement. Additionally, the Council found that the public access to the golf course as proposed by the Applicant was sufficient.

Original Conclusion:
"Adequate recreational facilities" have been provided. Provision of adequate on-site recreational facilities have been provided in the form of the golf course, including public use of the course as outlined herein. On-site daycare is not a requirement.

At the September 26th hearing, the Commission discussed at length whether "adequate recreational facilities" have been provided. The nine hole golf course is to be replaced with a golf practice facility and there is a net loss of four (4) tennis courts without financial compensation. Regarding golf, the Commission discussed the pros and cons of the proposed facility, and how well it might serve the needs of youth. Representatives from the Parks Department noted that they felt that the skills learned at this type of facility were already provided for in the community. Commissioners active in the game of golf countered that the short game is very challenging to learn, and that this facility could be of real benefit to youth and to locals. Regarding tennis, the Commission noted that there is no time frame proposed with phases two and three, so the Parks Department cannot rely on the full four courts with any certain timeline, making programming difficult. The Commission discussed the need for an additional financial donation or physical on site improvements to mitigate the loss of active recreational opportunities that were intrinsic to the 2008 PUD. The Commission considered a condition of approval, similar to the voluntary fee proposed to support affordable housing, to establish a Recreation Fund for use at the discretion of the Parks and Recreation Department. Commissioners did not want to "dilute" the employee housing mitigation by taking a portion of those funds and redirecting them towards recreation. The Commission opted found that further mitigation was needed to make a finding that adequate recreational facilities had been provided. Due to the creation of two tennis courts in Phase 1, the Commission found that the original recreation contribution of $500,000 was more than needed based on this revised proposal. The Commission found that a contribution of $300,000 towards active recreation was needed to ensure adequate recreational facilities and to meet this standard of review. The Commission felt that the Applicant could determine what mechanism should be used to secure these funds, but that the revised Development Agreement should establish a time frame within which the funds should be paid.

14. There shall be special development objectives and special characteristics of the site or physical conditions that justify the granting of the PUD conditional use permit.

Finding: The Commission weighed the various special development objectives and special site characteristics against the waivers requested in finding that the benefits derived from the project exceed the modifications or waivers to zoning or other standards. The analysis of benefits included all site planning decisions that preserve open space, cluster development, submit for LEED Certified construction certification, etc. Key special development objectives and special characteristics of the site considered by the Commission are listed below.

Table 17: Special Development Objectives

Special Development Objective, special Characteristics of the Site or Physical Conditions	**Type of Objective**	**2011 Amendment**
Iconically Designed, Core Hotel operated at industry acknowledged 5-Star standards with a minimum of 120 units ("hot beds/keys")	Economic	No change
Conference Space (13,000-20,000 sq. ft.)	Economic	Bar, restaurant, ballroom, board room,, living room, kids' game room – exact size to be determined
Approx. 35,000 sq. ft. of Workforce Housing	Social	0.5% voluntary tax to be used to subsidize housing for lower income employees
Approx. 54 ac. passive open space	Environmental, Aesthetic	No change
Active Open Space: Program for semi-public use of a 9-hole executive par 3 golf course	Recreational; Economic	"Dave Pelz Final 40" golf practice facility, 10-12 greens with bunkers and rough areas. Locals play time
Active Open Space: Contribution of $500,000 towards loss of 8 private tennis courts with semi-public use	Recreational; Economic	Total of 4 tennis courts proposed over 3 phases. Dates of Phases 2 and 3 unknown. Commission found that an additional contribution towards active recreation mitigation was needed
Additional Nonmotorized Trails	Recreational; Economic	No change
Restoration of Warm Springs Creek and upland wildlife corridors	Environmental; Aesthetic; Recreational	No change
Improvements to deficiencies to Bald Mtn. Road by rerouting Bald Mtn. Road through the project	Health and Safety	Revised transportation study to reflect new design and decreased development at Design Review
Sustainable Design/ Green Building Practices	Environmental	No change

Trail Enhancement and Connectivity: $115,000	Recreation; Environmental	No change

15. The development will be completed within a reasonable time.

Finding: Phase 1 proposes a stand-alone hotel and residences with golf practice facility, tennis, trails and stream restoration. It proposes a voluntary revenue stream to support affordable housing, once the hotel is in operation. Phase 2 proposes up to 59 housing units, and Phase 3 proposes up to 15. No time frames have been proposed for Phases 2 and 3. Phase 1 can stand on its own in the event that Phases 2 and 3 are never initiated.

A full development and phasing plan will be finalized in conjunction with the City's Design Review process. A full Construction Mitigation Plan is a requirement of the Development Agreement that includes a public process in front of the City Council. The proposed phasing schedule and commitment at this time by the applicant is sufficient based on the current market environment, with the condition that a detailed Phasing Plan, including the number of phases, buildings, amenities and other elements made part of each phase, be specifically approved by the Council as an amendment to the Development Agreement. This phasing plan will be made a part of or coincide with Design Review.

16. That public services, facilities and utilities are adequate to serve the proposed project and anticipated development within the appropriate service areas.

Finding: The Commission found that overall traffic volumes will be lower than for the original PUD, based on reduced project size. No current transportation study has been submitted. As a condition of approval, this item should be further be analyzed during the Design Review process.

17. That the project complies with all applicable ordinances, rules and regulations of the city of Ketchum, Idaho except as modified or waived pursuant to this subsection A.

Ketchum recognizes two forms of housing mitigation: employee housing and community housing.

A. Community Housing

Community housing is defined in the Zoning Code (Title 17 and the PUD Ordinance (Title 16) as follows:

> **Title 17, Zoning Code: COMMUNITY HOUSING OR WORK FORCE HOUSING: Dwelling units, for sale or rent, restricted typically via deed restriction by size and type for individuals meeting asset, income and minimum occupancy guidelines approved by the governing housing authority and the city of Ketchum.**
>
> **Title 16, PUD: COMMUNITY HOUSING: That portion of housing within a planned unit development that meets the following minimum requirements:**
>
> **A. Affordability requirements for ownership and rental units:**

1. "Ownership community or employee housing unit" means that a unit's selling price shall not exceed the maximum sales prices set forth in part IV, section 2 of the 1997 Ketchum affordable housing guidelines (housing guidelines) or any subsequent amendments. The costs of an ownership unit include mortgage, principal and interest payments, insurance costs and property taxes. Income categories 1 through 4, included in the housing guidelines, shall be considered appropriate categories for the provision of community or employee housing.
2. "Rental community or employee housing unit" means no more than thirty percent (30%) of a household's gross monthly income shall go toward housing costs. For a rental dwelling unit, housing costs include a utility allowance (telephone excluded) and monthly rental payments. To be considered affordable, rental units should be made available and priced for households making sixty percent (60%) or less of the Blaine County AMI.
B. Community housing units must be deed restricted to ensure appropriate income levels served, corresponding sales prices and long term affordability.

Community Housing, 2008 PUD Approval

In December 16, 2008, the Applicant outlined a proposal to address community housing, consisting of a revenue stream derived from a voluntary real estate transfer fee. The fee is applied upon the conveyance of property interest within the project. At that time, 0.5% of the sale price for that unit or lot will be paid to a dedicated community housing fund. With a 2008 estimated first sale of all of the real estate within the project of $600 million, the first sales on all of the real estate within the project would generate approximately $3 million towards that dedicated revenue stream. The approved Development Agreement also stipulated this revenue stream from URA tax increment revenue derived from the project would be matched an applied towards the housing fund.

In 2008, the URA revenues from this property over a 15 year period were estimated as follows:

Years 1-5: $3,800,000 revenue
Years 1-10: $13,007,000
Years 1-15: $22,800,000

The Commission deliberated on to how to ensure Community Housing or a methodology in the future for hotel projects that may not meet the definition of a hotel. The Commission noted that Community Housing and Employee Housing are not equal products, with issues of square footage, ownership and the disadvantages of being on-site being some of the differentiating characteristics. However, even though workforce housing and community should not be considered equal in weight, each hotel is unique, warranting independent deliberations. The Commission found that this project, Warm Springs Ranch, is a resort hotel and not a traditional hotel as the City's definition intends, and that an equal credit of square footage of Employee Housing to Community Housing was merited in this case.

The Council concurred with the Commission recommendation and found that the Community Housing requirement per the City definition of "hotel" should be waived, and was satisfied as described in the 2008 Council Findings of Fact, Condition #6.

Current Proposal:

The applicant is not requesting any change to the adopted Community Housing Mitigation.

B. Employee Housing.

Employee housing in Ketchum is a requirement of Hotels. The following sections from the Tourist Zone District apply to this application.

17.52.010.H Tourist Zone District

> **d. Employee Housing. Hotel developments are required to mitigate employee housing impacts at a ratio of twenty five (25) percent of the total number of employees calculated by the following formula: 1 employee per hotel room or bedroom.**

2008 Approved PUD

In 2008, the Applicant submitted a revised Employee Housing Plan, which was conceptual in nature. The Updated Application Submittal, dated May 9, 2008, states that 71 employees will be housed on site, which is 46.7% of the hotel's total, estimated employees. No breakdown as to the revised total square footage or unit mix since the initial February 11, 2008, submittal was provided.

Their scheme contained a total of 36,295 (or 35,290 livable) square feet of Employee Housing consisting of approximately 10,500 square feet of co-housing units, 4,550 square feet of one-bedroom units, and 20,240 square feet of two-bedroom units.

The November 3 and December 2, 2008 Updated Submittals provided details on the new numbers of employees to be housed on site which was 93. For further detail on percentages of employees housed on site, City requirements, and anticipated employee generation, please refer the discussion and calculations stated above under Commission Recommended Hotel/Community Housing Methodology under the Hotel Definition Section of the Findings.

Note that the number of employees estimated by the Applicant is greater than the City's formula of one employee per hotel room. This formula was created as a way of calculating employee housing requirements in a simple manner, and was not intended to reflect the actual number of employees that would be needed to serve any one project. The Council found that the Applicant met the requirements to mitigate employee housing impacts at a ratio of twenty five percent (25%) of the total number of employees calculated by the following formula: 1 employee per hotel room or bedroom.

> **e. Employee Housing Plan. The applicant shall provide an Employee Housing Plan that outlines the number of employees, income categories and other pertinent data. The Employee Housing Plan shall be the basis of the applicant's proposal for a mix of employee housing which addresses the range of employees needed to serve the hotel.**

Employee Housing, 2008 PUD Approval:

The Updated Application Submittal received on May 9, 2008 contained a section on Workforce Housing Location. This indicated that due to response to the concern of location and mass of the workforce housing (in the February 11, 2008, submittal) the building was be relocated to the southeast of the core hotel. The amount of employees to be housed was been reduced from 92 to 71, as further detailed by the Applicant on June 19, 2008. The specific building envelope of the Workforce Housing was designated in the Tent Diagram, Drawing A.6, Development Height Standards.

The following table outlines the City of Ketchum's Workforce Housing requirements with regards to the various schemes reviewed by the City.

Table 2: Warm Springs Ranch Resort, Calculation of Ketchum Workforce Housing Requirements

Scheme	# of Rentable Rooms in the Hotel	Employees (= # of Rentable Rooms)	# of Employees to be housed on site	% of Employees Housed on site	# of Employees per Unit	Livable Square Feet for WF Housing	Type of Rooms	Square Feet of Each Room	Total Employees
9 (Feb. 11, 2008)	152	152	92	60.53%	8 per co-housing unit; 1 per 1BD; 2 per 2BD	40,741	5 co-housing units; 14 1BDs; 19 2BDs	Co-housing = 2100; 1 BD = 800; 2 BD = 1000	152
9 & 10 (May 9, 2008)	152	152	71	46.71%	8 per co-housing unit; 1 per 1BD; 2 per 2BD	30,718	4 co-housing; 9 1BDs; 15 2BDs	Co-housing = 2100; 1 BD = 800; 2 BD = 1000	152
11 (Nov. 5, 2008)	176	176	93	52.84%	8 per co-housing unit; 1 per 1BD; 2 per 2BD	35,290	5 co-housing units; 7 1BDs; 23 2BDs Total units = 35	Co-housing = 2100; 1 BD = 650; 2 BD = 880	176
Dec. 2, 2008	120-182	225-275	93	34-41%	8 per co-housing unit; 1 per 1BD; 2 per 2BD	36,295(35,290 net livable sf.)	5 co-housing units; 7 1BDs; 23 2BDs Total units = 35	Co-housing = 2100; 1 BD = 650; 2 BD = 880	225-275
August, 2011	116	116	0	0%	?	?	?	?	?

Staff recommended the Applicant provide resources and information related to off-site housing opportunities for employees who are unable, due to on-site demand or lifestyle needs, to live on-site.

The following elements were required to be included in the revised Workforce Housing Plan:

1. Provide salary/hourly wages (2008 dollars) for the three categories of employees identified.
2. The expected number of each level of employee that is intended to be served by the employee on-site housing units.

3. Which employee category will be served by which type/size of units.
4. Provide information on anticipated rents (in 2008 dollars)
5. What units will be available and how will the pool of units available be determined.
6. What minimum standards will be used to determine employee eligibility to live in on-site housing; is full-time status required for on-site housing and what constitutes full-time status.
7. How will overflow of demand of units by employees be handled; will there be a priority system.
8. Provide information about rental rates or subsidized and/or free rent to employees; will utilities and access to on-site amenities be included in proposed rates.
9. Establishment of maximum occupancy per unit type (i.e. 2 persons per 1 bedroom unit).
10. Additional detail on dorm configuration and establishment of maximum number of persons per dorm. Staff is currently researching the utilization of dorms in other intermountain west resort towns which have established guidelines as a reference point.
11. Provide a matrix on breakdowns of the different types of units (1BD; square footage; total number of units; anticipated rent, etc.)
12. Create a priority for occupancy program of these units; (i.e. first availability employees that are full-time, secondly to seasonal employees, and third to persons that are verified to be working in the City of Ketchum. For dorms, some type of priority related to higher education, particularly Hospitality Programs.
13. Provide information on housing families (with children) and/or married couples

Staff recommended a minimum 250 net livable square footage of living area per person. This includes all conditioned square footage, yet excludes garages, outdoor public areas, hallways, storage and other common areas. Additionally, Staff recommended the Commission limit the amount of square footage that dorms are used to meet the on-site Workforce Housing Requirement to thirty-five (35) percent which is generally used to house mainly seasonal employee. While these seasonal employees are important to the overall efficiency and operation of the proposed hotel, providing adequate accommodations for the more permanent staff should take priority. Promotion and retention of year-round employees can be augmented through higher quality and accommodating living quarters that can ultimately mean more long-term housing.

The Council found that additional regulations regarding the development and operation of Workforce Housing should be as specified in the Development Agreement.

The November 12, 2008 Updated Submittal contained 142,800 square feet of "hot beds/keys." The Applicant has described the demographics of the employees that will be housed on site as mid-level managers, singles, and married couples. Upper management and families are anticipated to live in outlying Wood River communities such as Ketchum, Hailey, and Bellevue. The average square feet of living space per employee housed on site is 379.

The income categories of the hotel employees were planned as follows:

> Service Workers: $8 - $22/ hour; includes servers, dishwashers, housekeeping, front desk staff, administrative, and maintenance workers, etc. This component of employees will account for 86% of the resort staff.

Mid-level Management: $45,000 - $150,000/ annually; includes entry and mi-level managers, accounting for 9% of the resort staff.

Upper Management: $85,000 – 250,000/ annually; includes senior management, division heads, general manager. This category of employee will account for 5% of the resort staff.

2008 Approved Work Force Housing Layout:

Buildings were placed around a courtyard area, screening the units from adjacent properties while reducing noise and light from the housing units. The floor plans submitted showed 44 units, however, the revised submittal states that there will be a total of 35 units (Table 2 of the November 3, 2008 Updated Submittal binder). The first floor of the building showed 13 units. The co-housing units are on the northwest side of the ground level. The ground level units on the east and south sides consist of 7 two-bedroom units and a single one-bedroom unit. The second floor of the building showed 18 units consisting of 10 two-bedroom units and 8 one-bedroom units. The third floor of the north workforce housing building showed a total of 13 units (9 one-bedroom units and 4 two-bedroom units).

The Commission found that the Applicant has provided a sufficient Employee Housing Plan, for this stage of the project proposal, which outlines the number of employees, income categories and other pertinent data. The Employee Housing Plan shall be the basis of the Applicant's proposal for a mix of employee housing which addresses the range of employees needed to serve the hotel.

The Council recommended that stringent design requirements, consistent with the BCHA design guidelines regarding the interiors of units, should be followed. These requirements should also conform to language in the Workforce Housing Plan and as referenced in the Development Agreements. The Council determined that the BCHA guidelines be used solely as a reference source and that external design requirements be determined by the Commission during the Design Review process.

f. The City Council may consider a request by the hotel developer to satisfy any required employee or community housing square footage by alternate means. Off site mitigation, payment of in lieu fees, land in lieu of units, voluntary real estate transfer fees or other considerations may be proposed by the hotel developer. Larger sites are encouraged to include workforce housing on-site. The City Council has full discretionary power to deny said request.

The 2008 Council decision on the PUD determined that employee and community housing square footage requirements were satisfied with the on-site employee housing and the revenue stream for community housing.

Current Proposal:

Requests the following amendments to the Annexation and Development Agreement:

Workforce Housing:

2.1 Section 13 (Workforce Housing) is deleted and the following is substituted therefore:

"If Owner applies for a building permit on or before June 1, 2014 to construct improvements as part of the Project, the Workforce Housing requirement under the City Code, is hereby unconditionally waived and the Owner shall have no obligation to provide said Workforce Housing or any portion of it. If Owner does not apply for a building permit by the stated deadline then in lieu of the Workforce Housing requirement under the City Code, Owner shall establish a dedicated Workforce Housing fund ("Fund") with revenue derived from Owner's Gross Sales (as defined below). The amount of revenue would be one-half of one percent (0.50%) of Gross Sales until $250,000 was paid to the Fund. "Gross Sales" means the gross selling price of all merchandise or services sold, or delivered, in the ordinary course of business at the hotel (not including any other place of business). Whether for cash or on credit, except for the following: (i) the selling price of all merchandise returned by customers and accepted for full credit, or the amount of discounts, refunds, and allowances made on such merchandise, (ii) merchandise returned for or transferred to another store owned by or affiliated with Owner, (iii) gift certificates, or similar vouchers, until such time as they shall have been converted into a sale by redemption, (iv) sales and use taxes, and other similar taxed now or in the future imposed on the sale of merchandise or services, and (v) sales of real property, fixtures, equipment, or personal property that are not merchandise sold in the ordinary course of business at the hotel.

Owner shall furnish to City a statement of Gross Sales within fifteen (15) days after the end of each calendar quarter, and an annual statement of Gross Sales within twenty (20) days after the end of each calendar year. Each statement shall be signed by Owner or its authorized representative. Owner shall keep full and accurate books of account, records, cash receipts, and other pertinent data showing its Gross Sales. City shall be entitled within one (1) year after expiration or termination of a statement period to inspect and audit all of Owner's books of account, records, cash receipts, and other pertinent data relating to Gross Sales, so City can ascertain Owner's Gross Sales. Owner shall cooperate fully with City in making the inspection. If the audit shoes that there is a deficiency in the payment of any moneys to the Fund, the deficiency shall become immediately due and payable. The costs of the audit shall be paid by City unless the audit shows that Owner understated Gross Sales by more than five percent (5%), in which case the Owner shall pay all costs of the audit. City shall keep any information gained from such statements, inspection or audit confidential and shall not disclose it other than to carry out the purposes of this Agreement.

The Fund would be maintained by Owner in a segregated account ("Workforce Housing Account") and would be used solely to subsidize housing costs of eligible hotel employees (as defined below). "Eligible Employee" means _____. Upon presentation to Owner of a written application for housing assistance from an Eligible Employee Owner shall disburse from the Workforce Housing Account to the landlord, mortgagee or third party providing housing to the Eligible Employee up to $, or % of said Eligible Employee's housing costs."

At the July 23rd Planning and Zoning commission meeting, the applicant described changes in market and development conditions that underlie this request. A summary of the key issues are as follows.

The above Employee Housing requirements (PUD standards d,e and f) were adopted in 2007, at a time when supply of affordable and employee housing was at an all-time low. The 2006 Housing Needs Assessment estimated a need for 1,400 housing units in the north valley by the year 2010 (demand included unfilled jobs, commuters and projected new jobs, 2006-2010). Hence, the City Council adopted

a "supply-oriented" employee housing policy, focused on the requirement to create new housing to address the need generated by new employees.

WSRR is requesting to modify the "supply-based" employee housing policy, proposing a dedicated revenue stream earmarked specifically towards employee housing that would effectively buy down the rents on existing units. This approach would be a policy shift towards a "demand-based" model, with an underlying assumption that there is enough existing housing stock in the marketplace to absorb new employees.

The Blaine County Housing Authority (BCHA) is underway with an update to the 2006 Housing Needs Assessment. The new Assessment will provide guidance to the City as to where we sit on a supply/demand spectrum with regards to our existing housing stock and our employment base. A report on the findings of the study is planned for the near future. It is of interest to note that the last Housing Needs Assessment was developed at the peak of the local development boom, and that the 2011 Assessment will be at or near the trough. The new report will address market swings by the inclusion of an economic model that can be modified with new inputs to calibrate to market changes and economic conditions. This model will calculate housing demand as a function of wages, location, housing values, rents and capital markets. These inputs can be made by BCHA staff on an annual basis, or other term as determined by the BCHA Board and stakeholder groups such as the cities.

Staff recommended to the Council that no changes be made to the City's adopted employee housing policy until the results of the 2011 Housing Needs Assessment are available. However, it is likely that the City will need to adopt a more flexible policy that allows the Council to determine the appropriate employee housing mitigation based on factors listed above. (Both the Commission and the Council have the authority to waive the above standards under the PUD process, based on findings.)

Below is a list of ideas that could be considered as modifications to the "supply based" employee housing policy in September after review of the Housing Needs Assessment.

- **No change- retain a "supply based" employee housing policy with the view that over the long term more supply will be needed**

Discussion: this is clearly the most pro-active housing policy, as it ensures new stock enters the marketplace to address need over time. Note that because the City only requires hotel developers to "house" 25% of their employees, this policy still relies on existing housing stock for 75% of the new employees servicing the hotel. Commission and Council should expect significant push-back to a strict application of this policy in down markets, such as this one.

- **Require hotel developers to "buy down" existing housing stock by buying and permanently deed restricting the units to ensure their availability over the life of the housing stock.**

Discussion: in discussions with Karen Wikstrom, Wikstrom Economic and Planning Consultants, the consultant for BCHA on the new Housing Needs Assessment, permanent deed restriction of existing stock is the next best alternative to new stock. This approach guarantees affordability over the life of the housing stock. Age and condition of the housing need to be carefully considered. This could also be considered a "transaction-oriented" approach to mitigating employee housing. This approach is best executed in down markets, such as the current one.

- **Allow hotel developers to provide a revenue stream that would be applied specifically to their employees, either through rent reduction or the purchase of units for rent or ownership.**

This approach will likely be preferred by hotel developers, if the City policy allows the revenue stream to commence when the hotel is operational. This raises a significant issue: all experts suggest finding some way to take advantage of the current down market by securing housing stock now versus in 3 to 5 years. It is clear that a 12-24 month opportunity exists for affordable transactions that will likely not be available in the future. The Commission may want to brainstorm some ideas as to how to "front load" the revenue stream to accomplish this goal. Some ideas include bonding against a future revenue stream (BCHA and/or the City), working with local banks on Community Reinvestment Act funds to allow transactions to occur now; or, requiring developers to provide some portion of the revenue stream at the time of building permit or to back a loan for housing transactions at the time of building permit. (Note that this list is not exhaustive and has not been vetted as to feasibility at the time of the preparation of this staff report.)

- **Some combination of the above.**

As the Commission has seen through the hotel entitlement process, there may not be a one-size fits all approach to employee housing, and some combination of the above may be appropriate. In their initial discussion, the Council indicated that they believe some flexibility over the 2007 adopted language is in order, but with a goal of available cash within the next 12-24 months.

At the August 22nd Commission meeting, the Commission noted a policy distinction between "community" housing and "employee" housing, with the focus of the employee housing program being to ensure that lower paid hotel workers could afford to live in Ketchum. From that perspective, the Commission indicated that they were generally comfortable with the revenue stream concept, subject to details of the program being developed, and so long as funds were not given directly to employees, but were paid to landlords or other housing providers in a transparent manner. The Commission noted that if an audit was necessary, that cost should be borne by the applicant. The Commission discussed various details regarding the implementation of the employee housing program proposal at their September 26th meeting, resulting in Condition of Approval #1 herein, including such matters as the need for a cap of $250,000 on the fund; the need for the funds to be expended in Ketchum; and other details outlined in items a-g of Condition #1. (See also Commission discussion under Standard #10 regarding an incentive to have the employee housing policy waived based on the timing of permit application.) Based on this condition, the Commission found that this standard has been met.

COMMISSION RECOMMENDATIONS TO THE CITY COUNCIL

The Commission moved to approve the Request for Modification of Planned Unit Development (PUD) Approval and Amendment of Annexation and Development Agreement subject to the following conditions:

CONCLUSIONS OF LAW

1. The City of Ketchum is a municipal corporation organized under Article XII of the Idaho Constitution and the laws of the State of Idaho, Title 50, Idaho Code.

2. Under Chapter 65, Title 67, Idaho Code, the City has passed a land use and zoning code, encompassed in Ketchum City Code Title 17.

3. Under Chapter 65, Title 67, Idaho Code, the City has passed a subdivision ordinance, encompassed in Ketchum City Code Title 16, providing standards for the processing of applications for subdivision permits under sections 50-1301 through 50-1329, Idaho Code.

4. The Commission has authority to hear the Applicant's Large Block Plat Application pursuant to Chapter 16.08.070E and Chapter 16.04.030D, Ketchum City Code.

5. The City of Ketchum Planning Department provided adequate notice for the review of this application.

6. The project **does** meet the standards of approval under Chapters 16.04.040 and 16.04.090, Ketchum City Code.

DECISION

THEREFORE, the Ketchum Planning and Zoning Commission **approves** this Planned Unit Development and Conditional Use Permit, subject to the following conditions:

PROPOSED CONDITIONS:

1. A dedicated Workforce Housing Fund shall be established to mitigate workforce housing impacts associated with the Hotel. The purpose of the fund is to increase the affordability of housing in Ketchum for employees of the Warm Springs Ranch Resort project. The Fund shall be continually funded as long as the hotel is in operation, subject to the following:

a. The Fund shall be established a minimum of two (2) months after the date of Certificate of Occupancy for the Hotel, with an initial fund balance of no less than $60,000.
b. The Fund shall be established based on a percentage of gross sales of hotel room rates, merchandise, food and other similar items. Said percentage shall be 0.5%.
c. A reasonable methodology for auditing the Fund shall be provided for in the amendment to the Annexation and Development Agreement.
d. The Fund should be a segregated account utilized solely for the employees of the Warm Springs Ranch Resort project.
e. Funds from the account may not be dispersed directly to employees, but may only be dispersed to landlords, mortgagee or other acceptable third party providing housing.

f. A methodology for the distribution of the funds shall be developed between the parties as a future amendment to the Annexation and Development Agreement. Said methodology should be developed after construction commences but prior to issuance of any Certificates of Occupancy for the Hotel.

g. If the fund balance grows and significant approved expenditures are not made, administration of the Fund, including suspension of further funding, shall be revisited by the parties.

2. The active recreation section of the Development Agreement shall be modified to allow the recreation mitigation fee of $300,000 to be paid into a Recreation Mitigation Fund based on a percentage of gross sales of hotel room rates, merchandise, food and other similar items, or other by other financial means acceptable to the parties. The fund shall be used by the City of Ketchum at its sole discretion to mitigate impacts to active recreation. Funds shall be paid within six (6) years of the opening of the Hotel.

3. A golf practice facility as depicted on the site plan Sheet MP-1100 and presented at the September 26, 2011 Planning and Zoning Commission Meeting shall be constructed. The golf practice facility shall be open to the public and shall include a "Locals Golf Program" consisting of the following:

   a. The golf course will have "locals" pricing of no less than 20% off the regular resort rate; (ii) the peak hours for the golf course will be 8:00-10:00 a.m. and 4:00-6:00 p.m., and the peak golf season will be from June 20 to Labor Day (shoulder season will be from opening day to June 20 and Labor Day to closing day); (iii) one tee time is considered a group of no more than four (4) golfers, and the pro shop will reserve the right to pair local golfers to create more efficient tee times; (iv) tee times for Locals will be published seasonally in the local newspaper and made available on-line; and (v) walkers will be permitted. The Locals Golf Program may include one or more of the following special events or programs: junior golf play days; ladies golf play days; Warm Springs Championship tournament; 9, Wine and Dine; and charity tournaments. As used in this Agreement, "Locals" means: (i) full-time Ketchum residents; (ii) persons employed full time in Ketchum; or (iii) persons owning a business operated in Ketchum not created for the purpose of obtaining status as a "Local".

   b. Weekday Rules for Peak Season. Locals will be allowed to have access to the golf practice facility, or portions thereof, every day during the week. Local access will be limited to two (2) tee times back to back per hour during the peak hours of every day of the week. For the remainder of the day, locals will be allowed up to three (3) tee times per hour. Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to three (3) tee times during peak hours and up to four (4) tee times during non-peak hours.

c. Weekend Rules for Peak Season. Locals will be allowed to have access to the golf practice facility both days of the weekend. Local access will be limited to two (2) tee times per hour during the peak hours of Saturday and Sunday. During non-peak hours, locals will be allowed up to three (3) tee times per hour. Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to three (3) tee times during peak hours and four (4) tee times during non-peak hours.

d. Weekday and Weekend Rules for Shoulder Seasons. Locals will be allowed three (3) tee times per hour during peak hours. During non-peak hours, locals will be allowed up to five (5) tee times per hour. Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to four (4) tee times during peak hours and five (5) tee times during non-peak hours.

e. The Owner may reasonably restrict access to the golf practice facility to conduct golf school(s) or other formal instruction.

4. Two tennis courts shall be constructed in the first phase of the project as shown on the on the site plan Sheet MP-1100 and presented at the September 26, 2011 Planning and Zoning Commission. One additional tennis court shall be constructed in each of the subsequent two phases of the project for a total of four (4) tennis courts. The tennis courts and related facilities shall be open to the public with a "Locals Tennis Program" that includes local youth and adults. Court time shall be made available a minimum of 3 hours per day, two days per week, with special allowances for tournaments and other community tennis events.

5. The previously approved Design Review of January, 2010 shall not be valid after the effective date of an Amended Annexation and Development Agreement between the City and the Applicant and shall be updated to reflect the revised PUD plan.

6. An updated Transportation Study is required, and shall be submitted as part of the revised Design Review. The study shall, in particular, examine whether the revised intersection at Warm Springs Road and the project entrance is sufficient to handle project traffic combined with future background traffic.

7. An update Phasing and Development Plan shall be submitted to the Council prior to application for any building permits.

Findings of Fact **adopted** by motion the 10th day of October, 2011 and signed this 10th day of October, 2011.

Rich Fabiano, Co-Chairperson
Ketchum Planning & Zoning Commission

Recorded

CITY OF KETCHUM
PLANNING AND ZONING COMMISSION MEETING
August 22, 2011, 5:30 p.m.
Ketchum City Hall Meeting Room, Ketchum, Idaho

Present: **Co-Chairman Richard Fabiano**
Commissioner Steve Cook
Commissioner Mike Doty

Absent: **Co-Chairman Deborah Burns**
Commissioner Jeff Lamoureux

Also Present: **Ketchum City Attorney Stephanie Bonney**
Ketchum Community and Economic Development Director Lisa Horowitz
Ketchum Planning Manager Joyce Allgaier
Ketchum Associate Planner Rebecca Bundy
Ketchum Recording Secretary Sunny Grant

Co-Chairman Richard Fabiano opened the Regular Planning & Zoning meeting at 5:30 p.m.

1. PUBLIC COMMENT ON ISSUES NOT ON THE AGENDA
There was no public comment at this time.

2. PUBLIC HEARING on the request by Warm Springs Ranch Resort developer, Helios Development Company, LLC, for modification of their Planned Unit Development Approval and amendment to their Annexation and Development Agreement. The amendment consists of modification to employee housing requirements and active recreation mitigation at 1801 Warm Springs Road (property generally known as the Warm Springs Ranch Restaurant and Golf Course); Tax Lot numbers 8074, 8075, 8076, 8078, 8079, 8081 and 8082 in Sections 11, 12, and 13 of a portion of HES 292, T4N, R17E in the (T) Tourist Zone District.

A subsequent amendment will request modification to the Design Review approval to reduce the total square footage of the project.

Also Present: **Ketchum Parks Department Youth Recreation Director John Kearney**
Mike Barnard, representing Helios Development
Ed Lawson, representing Helios Development
Joy Kasputys, representing Helios Development

Several years ago, Ketchum approved an annexation and development agreement providing for phasing, design and other critical elements of the private and public benefits portions of Warm Springs Ranch Resort. The applicants represented that the project is not economically feasible in its present state, and is requesting modifications to enable the owners and their consultants to get financing.

Proposed modifications do not change the essential agreement between Helios Development and the City of Ketchum. The hotel is the same square footage, with the same number of room keys. The developer is asking for changes in the Planned Unit Development approval and the Annexation Agreement.

The project is proposed for three phases:

1. 285,000sf hotel, with about 125,000sf committed to 120+ hotel rooms. 71,000sf in condominiums, and about 93,000sf parking and garages.
2. Total project about 250,000sf less than was approved, and 80ft farther back from Warm Springs Road, which addresses concerns voiced by the public during initial application. The hotel is the similar iconic design by the same architectural firm; and will in all probability be a branded facility by a well-known brand.
3. The proposed changes are to workforce housing; and recreational golf course and tennis courts.

Warm Springs Ranch Resort will have significant economic benefits to the City, starting with fees and permits.

The proposed change to the approved workforce housing is to eliminate the onsite housing structures. The housing, projected to cost $12 million, wouldn't function well or be compatible with an operating hotel. The developer asks the City to waive the workforce housing exaction if a permit is pulled before June 1, 2014. If a permit is pulled after June 1, 2014, the developer proposes to provide a workforce housing fund, funded with ½ of 1% fee on gross sales

of hotel rooms, merchandise and other sales on the property of things other than real property. The fee is ongoing, collected similar to a local option tax, and could generate about $125,000 annually. There would be a cap of $250,000 on the amount accumulated at any point in time. The proposal includes monthly and yearly financial reporting. The fund would be utilized to subsidize purchase and rental units by employees of the hotel, as well as transportation and other costs associated with functions of the employees.

The developer feels this would provide greater flexibility in meeting the housing needs of the project workforce; and would lessen the economic burden on the owner to get the project started. The developer doesn't foresee any adverse impact on their ability to meet workforce housing needs.

The other proposed change is to convert the approved 9-hole golf course to a Dave Pelz School of Golf-type facility, with a short driving range, putting greens, sand traps. There is currently no golf practice-type facility in the area.

Tennis courts were removed by a prior owner, and tennis was no longer available when this owner acquired the project. The developer's current recreation commitment includes a fee of $500,000 in lieu of providing tennis courts. The developer is now seeking to build four tennis courts, two of which would be constructed in Phase 1 and an additional court in each of Phases 2 and 3. According to the applicant, four tennis courts would cost about $500,000. Ketchum has been aggressive in keeping to a no net loss rule.

This is a Planned Unit Development project. The primary purpose of a PUD is to allow flexibility to certain standards or rules of the city in exchange for benefits received.

The Ketchum Parks Department requests Warm Springs Ranch Resort build six tennis courts onsite in the next year, as public courts in perpetuity, or provide the lieu funding originally proposed. Ketchum Parks Department's active recreational requirements are based on Ketchum's Comprehensive Plan data, recreation amenities, and appropriate mitigation due to decrease in project size and scope. Ketchum needs to assure sustainability of its recreational needs, particularly in this application of the Warm Springs neighborhood, on flat, undeveloped land in central Warm Springs. When the Warm Springs neighborhood lost eight tennis courts and a 9-hole golf course, the Ketchum Parks Department saw noticeable use, strain and subsequent deterioration of the city's only existing four public tennis courts. The economic recession has increased use of public facilities. Helios' proposal of four tennis courts is not sufficient to meet current use, much less anticipated increased use in the future.

- The Ketchum Parks Department does not think a golf practice facility is adequate to replace a 9-hole golf course, but would like more time to review the specifics of the practice facility.
- Ketchum Parks was very supportive of WSRR's proposal to help construct hiking trails, and believes these trails are an integral part of their project.
- Ketchum's Comprehensive Plan exhorts protection and enhancement of Ketchum's recreation facilities. Active park space is Ketchum's biggest recreational need. People used to come to Ketchum to use the tennis courts. Children excel in high school athletics because of rec facilities and the programs they provide.

Ketchum adopted very specific standards in the Tourist Zone district in 2006 for employee housing relative to hotels. Most resort communities have a much more stringent requirement. Hotels need to provide housing for the whole spectrum of their staff.

Housing considerations:

- The Blaine County Housing Authority has a revised housing needs study.
- Money for housing is much more useful in the next 18-24 months. Now is the time to buy existing housing stock.
- WSRR's original PUD onsite employee housing was beyond minimum standard.
- Ketchum's current rental unit owners are having trouble filling their rental units.

The developer didn't feel their hotel would increase use of public tennis courts. The proposed tennis courts would allow public access, which would lessen pressure on the existing public tennis courts.

The developer said workforce housing is meant to reduce the burden placed on the community as a result of the workforce employed by this hotel project.

PUBLIC COMMENT:

- The developer is offering a reasonable alternative, and Ketchum should negotiate with a developer who still wants to develop here.
- A developer is trying to meet a need that Blaine County needs.
- It is extremely difficult to secure funding for a project like this. Developers want to cut their costs as much as possible. Ketchum should help the developer make the project happen.
- Reduction in size is good, although it's a reduction of a project too large to begin with.

- Elimination of onsite workforce housing is good, since housing 100 people together next door to their place of employment is asking for trouble. Workforce housing will probably be needed in the future, but right now, landlords have empty units they need to rent to working people.
- Need and want golf and tennis facilities, even if a tall hotel is necessary. Why not have a reasonably-sized hotel with tennis and golf, and let workforce housing happen as necessary.
- Have to consider young families and kids in this valley. The developers have allowed people to walk their dogs and play/use their vacant property over the last few years. Where there was once a golf course, now there is open space. Keep the park and put in a 3-hole executive golf course. "Practice" golf putting greens and sand traps are already at existing golf courses.
- There is not enough room at Atkinson Park for more tennis courts. A brand hotel would want tennis courts, with clinics and camps.

P&Z Commission comments:
- Need some scale drawings of a master schematic for golf course and tennis courts.
- If Ketchum needs tennis courts, and doesn't have land for them, a PUD is the opportunity to get them. They should be put on the developer's property.
- Tennis courts on the developer's property are going to be primarily for guests, with only some use available for public use.
- How many people can be on the golf course or practice facility at any one time. What is the cost to the public?
- This is a PUD. Ketchum needs to see details in order to negotiate.
- Kids need a place to play golf.
- Thanks to the developer for allowing the property to be used by the public at this time.
- Open up the back lands to public use to make it the best project ever in Ketchum.
- Recreational amenities draw people into town.
- Employee housing is about 400sf per person. Deed-restricted purchased housing is community housing. The developer claims 86% of their employees are workforce, 9% is mid-level management, 5% is upper management. Only 13% can afford to live in Ketchum. A good portion of the money should go to the people who need it the most.
- Whatever audit arrangement of the housing fund is agreed upon should not cost Ketchum anything.
- The year 2014 is too far out for an incentive to pull a building permit.

The developer will provide a site plan for the golf practice facility from Dave Pelz.

P&Z Commissioner Steve Cook moved to continue the request by Warm Springs Ranch Resort developer, Helios Development Company LLC, for modification of their Planned Unit Development Approval and amendment to their Annexation and Development Agreement to the P&Z Commission meeting of September 26, 2011. Motion seconded by P&Z Commissioner Mike Doty, and passed unanimously.

3. ADJOURNMENT

P&Z Co-Chair Rich Fabiano moved to adjourn the meeting at 7:15. P&Z Commissioner Mike Doty seconded the motion, and it passed unanimously.

Co-Chairman Richard Fabiano

CC: City Council

Recorded

REGULAR PLANNING AND ZONING COMMISSION MEETING
Monday, September 26, 2011, 5:30 pm
Ketchum City Hall, Ketchum, Idaho

Present: Co-Chairman Deborah Burns
Co-Chairman Rich Fabiano
Commissioner Steve Cook
Commissioner Mike Doty
Commissioner Jeff Lamoreaux

Also Present: Lisa Horowitz, Community and Economic Development Director
Rebecca Bundy, Associate Planner
Lisa Enourato, Planning Technician

Commissioner Burns opened the regular meeting at 5:30 pm.

1. PUBLIC COMMENT - opportunity for the public to talk with the Commission about issues and ideas not on the agenda.

There was no public comment.

2. Consideration upon the application of Sun Valley Marketing Alliance for Design Review at Lots 5 and 6, Block 24, Ketchum Townsite (491 Sun Valley Road, Ketchum, ID 83340). The applicant has submitted a design review application for a sign to be located on the roof of the existing Ketchum Visitors Center building. Pursuant to Section 17.96.030: REGULATIONS, the Planning and Zoning Commission has the authority to subject "elevations, plot plans, signs and landscaping" to design review procedure.

Lisa Horowitz stated that in working through the administrative design review approvals for the façade changes with Commissioner Fabiano, they agreed that this was not an administrative approval item. There is a section in the design review code that allows signs to be brought to the Commission.

Susan Desko, Architect for the applicant, showed images of the proposed sign on the rooftop of the Visitors Center Building pointing out that there is no name chosen yet and that the letters are 8' tall, mounted on the ridge of the building, comprised of two panels of perforated panels. After the applicant stated that the building with the proposed sign was less than the height requirements of a four-story building, the Commissioners pointed out that the heights for the two story building is what is to be considered.

Greg Randolph recapped the architect's description of the sign and pointed out that this is like way finding showing the obvious center of town. He confirmed that the international "i" for "information" is what was chosen as the sign.

Lisa Horowitz described the definition of governmental sign, which is pursuant to discharge of governmental functions. Alternately, she stated that the Commission could remand the project and direct the Ketchum Urban Renewal Agency to be the applicant because they are the government.

The Commissioners agreed that this is not a civic building.

Commissioner Burns opened public comment.

The unanimous consensus of the public was that they did not approve of the sign based on the following:

- The sign should not read "Sun Valley". This is Ketchum.
- There is not proper signage to get people to the Visitors Center.
- The sign is boring.
- People should be looking at our shops rather than the rooftop of a building.
- The international sign "i" is not understood by all.
- The sign faces backwards from one angle.

The Commissioners determined and agreed that they cannot grant a waiver to this type of height in the middle of our core. The Ketchum Sign Code does not allow roof top signs.

Commissioner Cook motioned that this project, Ketchum Sun Valley Visitors Center Sign, does not meet the standard for approval under Chapter 16.64 of the Ketchum Zoning Code, Title 17, because of the following standards; relative to the mass and height specifications, the proposed signage does not contribute in a positive way to the building character, seconded by Commissioner Doty. The motion was unanimously approved.

The Commissioners confirmed that on future applications, they would not approve any type of signage on the roof.

3. PUBLIC HEARING on the request by Warm Springs Ranch Resort developer, Helios Development Company, LLC, for modification of their Planned Unit Development Approval and amendment to their Annexation and Development Agreement. The amendment consists of modification to employee housing requirements and active recreation mitigation at 1801 Warm Springs Road (property generally known as the Warm Springs Ranch Restaurant and Golf Course); Tax Lot numbers 8074, 8075, 8076, 8078, 8079, 8081 and 8082 in Sections 11, 12, and 13 of a portion of HES 292, T4N, R17E in the (T) Tourist Zone District. (continued from August 22, 2011)
A subsequent amendment will request modification to the Design Review approval to reduce the total square footage of the project.

The third amendment request of the Warm Springs Ranch Resort team was on August 22 and questions were asked on the two primary topics of recreation and housing and the applicant has responded to those questions. The third issue is timing of the project and whether certain waivers would be granted to incentivize the project to move forward.

The Commission first discussed the workforce housing. Ed Lawson, attorney for the applicant, described the proposed changes regarding the workforce housing and recreational amenities. The following reasons were noted for the change in the workforce housing component of the project:

- The requirement to build workforce housing on site is a true project killer due to expense and the burden added to the project.
- The notion of having workforce on site is unfavored in most of the communities looked at by the applicant. Most felt it better to give the workforce to choose where they want to live and help them with the cost of that.

The applicant came up with a fee, based on the gross revenue realized from the project, equal to ½ of 1% of the gross revenue from the project, exclusive of real estate sales. A fund would be set up to use to address the housing costs associated with the workforce such as rent subsidies, down payments, transportation costs, etc. The applicant would account to the city as to how it was expended and would be entitled to audit the fund. If the fund accumulated $250,000 without any disbursals for 3 months, the collection of the revenue would be abated until it dropped below that level so as not to accumulate monies from the project. The applicant pointed out that they didn't want to build up a cash balance that doesn't get used and built in a mechanism so they didn't over accumulate.

The Commissioners asked for metrics as to how this was implemented such as how long must you be an employee to be eligible, how much you could expect them to be subsidized, and how does this affect those people in the lower income ranges versus those in higher ranges.

The applicant would use the standards that Blaine County Housing Authority uses. It is anticipated that greater than 90% of the employees would be eligible to participate based upon their income levels. Those people identified by the Housing Authority would be eligible. It's anticipated that approximately 100 people would be beneficiaries of the program on an ongoing basis and that the applicant would generate approximately $135,000 annually to go into the fund. There would be an attempt to disburse all of the funds. It is not the intention to write the checks to the member of the workforce but directly to the landlord. A minimum eligibility requirement has not yet been discussed. Mike Barnard described a program they looked at in Dana Point, where their proposed program is predicated upon.

Staff suggested that the findings direct that those details be determined at a later time if this concept was accepted.

The Commissioners wanted to know if there was money in the kitty to start the program when it comes online if there wasn't enough cash flow to fund it.

The applicant stated they could do this either way. If they were unfunded, they would be responsible for funding the differential and recovering it later. They would make sure it was funded.

Commissioner Cook asked if the fund was depleted to zero and it had to come out of suspension, how long does it take to climb back up again and in the meantime, would you be able to meet the needs of the 100 people depending on it.

Commissioner Doty did not see this as a waiver because if you start construction by a certain date, there is no workforce housing. This does not seem like a burden to the project up front at all.

The applicant feels there is an incentive in avoiding the annual obligation of $135,000+. The administrative burden, is a reflection on the part of the owner to try to address the legitimate need of the community to take care of its own workforce and is something that was approved for other projects so thought it would be appropriate for this project. The employees will have to be here to provide the services. It would be the responsibility of the brand to take care of the employees. This would not be a requirement of the project but of the brand to successfully operate the hotel.

The applicant stated that they don't have a problem in tightening up the waiver and going ahead with this subsidy; this does not have to be funded for the C of O but before you need it. They are obligated to fund this. The waiver deadline could be shortened to be consistent with other projects.

Commissioner Doty agreed that this was good for both the developer and the community.

Commissioner Burns opened public comment.

Mickey Garcia commented that the Commissioners should "keep it simple" and have the developer give the city cash because they can use the cash better than the developer can. It amounts to only 1%. He agreed that the city should allow the reduction of affordable housing for the developer due to the rising costs in the economy.

Doug Brown, representing WREP, feels the flexible approach that the applicant has is a good one and hopes the Commission will look favorably upon it. He urged to be cautious on benchmarking other hotel deals that have been made in light of the current economy. All the time that lapses since the hotels have been approved, the conditions for financing are much more difficult. Be open-minded about current reality in the economy and now what was approved 2 years ago in a different situation.

Neil Morrow agrees with Ed Lawson and how to get workforce housing done without having the huge upfront cost, which becomes the incentive to having them get started; the financing works better.

David Patrie, Blaine County Housing Authority, came to listen as they did not have full details of the plan prior to the meeting and would like clarification on the plans. They did not know about the waiver and commented on the $250,000 cap. He was happy that this was in perpetuity and would like to see that made clearer.

David Hurd's understanding was that the waiver was based on what the original development agreement was; to provide all that housing. He is glad that's not there as it was a burden to the neighbors. He feels that without this requirement, space is opened up that doesn't have to be developed which should lower the size of the rest of the development. He stated that we pushed them into having a start date and they start on bridges, etc. and cautions the Commissioners to allow this schedule.

Commissioner Burns closed public comment.

Regarding recreation, Lisa Horowitz presented the concept whereby they would try to get back to a cash contribution that was in the original development agreement but for a lesser amount. The policy is that the ½% be split for some time period and at some point, mitigation to recreation would be done and then it would flow back to housing. It is a total of ½%.

Mark Phelps, architect for the applicant, showed the revised site plan and discussed the decision to design something that was buildable soon. The Dave Pelz Final Forty Golf Facility was introduced; ten to twelve greens offering a variety of shots that a golfer faces. This is a proposed amenity for the hotel guests and public. Public access and locals pricing is the same as what was provided for the 9-hole golf course in the original proposal. The proposal regarding tennis is to go from the fee of $500,000 for the four courts in phase 1 and subsequent phases. Staff discussed needs and are willing to accept some compromise. A four court program that was proposed with public access and a fee that would be paid out of some proportion of the 5% earmarked from the revenues generated from the project are acceptable to the owners. The four courts and up to $250,000 to $300,000 will be paid out of this fee. The applicant originally proposed to eliminate the $500,000 fee but have agreed to $250,000 to $300,000.

The Commissioners do not believe that the 2 hours on 2 courts offered to public use is not enough. Parks and Rec will have difficulty accomplishing any kind of program with that kind of schedule.

The applicant is providing two courts for 122 rooms and 31 residences. If this grows, they will add courts. The $300,000 is the offset and to make up for the fact that there is no replacement. They wanted to funnel funds to the Rec Department. Commissioner Fabiano did not believe that the two courts meet the needs of a 122

room hotel but the applicant pointed out that the demand is not there for tennis. The applicant described the proposed Dave Pelz Golf Course in lieu of the 9-hole course originally proposed. This is the Dave Pelz Final Forty School, distinctly different than his other schools.

Jen Smith, Parks and Rec, described the increased use of their facilities and that there is a significant deficit of recreation resources for the City. John Kearny spoke that the Dave Pelz course would be a place for them to go, although not optimal. Commissioner Fabiano pointed out that this is actually designed as a course, these are greens that are being putted on and the actual situation you would see on a course. John Kearney wants to have public access.

Commissioner Burns opened public comment.

A community member who was not a proponent of the project because of the size now applauds the developer in bringing this to a reality. He is pleased to see the alternative of the Dave Pelz School although the classes are not inexpensive.

Neil Morrow feels this is a step up from a putting course and is unique and different.

Mickey Garcia is happy that the developers are willing to invest in the community. He also pointed out that he passes tennis courts and golf courses that are empty. Parks and Rec know what they need. If they are given the money, they know how to spend it; to benefit the children.

Heidi Schernthanner has never been a great proponent of this project but appreciates the downsizing of the project.

Doug Brown hopes the Commissioners will keep in mind the big picture. This is an $800 million project, we are in a depression and need to ask what we can do to help these people spend their money and get people to work. We need to lower the obstacles and raise the incentives and get something done in our community.

Dave Hurd has been involved in this project for many years. His purpose was to maintain the golf and tennis experience. This has all been diminished. He made one last plea for a quality golf and tennis experience with a sizeable hotel.

Commissioner Burns closed public comment.

Jen Smith pointed out that the Ketchum Town Square, the skate park and the new bike park are the most popular right now; however, John's tennis and golf programs are still very popular. Jen Smith would like to see the money come to her department so they can make the decisions and not be committed to six tennis courts from 2007.

The Commissioners discussed a recommendation to City Council to keep the workforce housing and recreational money separate and not to grant the waiver. They discussed alternatives to the waiver and made the following amendments to the conditions:

- Condition #1 – Delete and determine a date that's attached to some point in time that the workforce housing fund kicks in to ensure the workforce fund gets established.
- Condition #2
- a) The fund shall be established with an initial contribution of $60,000 and the fund shall be established 2 months after the issuance of the certificate of occupancy
- b) The fund shall be established based on .5%

- f) Utilize HUD guidelines
- g) Extend timeline to 6 months or if the fund grows and significant expenditures are not met, then the administration of the funds shall be reevaluated.
- Condition #3 – Recreation mitigation fee is $300,000 and the applicant will fund up to a period of 6 years.
- Condition on Tennis Courts (not included in conditions) – The applicant and the recreation department shall work on an agreement for youth and public use with the intention of making this in addition to the minimum 3 hours on the two weekdays that is given to the rec.
- Condition 5 reflects that the design review will need to be changed.
- Condition 6 reflects that they will need a new transportation study.
- Condition 7 reflects that they will need a new phasing plan and add "large block plat".

Commissioner Fabiano motioned to continue the meeting until 9:00 am, seconded by Commissioner Cook. The motion was unanimously approved.

There was a 3 -2 vote on the elimination of the waiver.

Lisa Horowitz outlined that when this application comes back, language will reflect exactly the intent of the deliberations. There will be no flexibility to have thought of something new. We can only clarify.

Commissioner Cook motioned to approve the request to amend the development agreement consistent with the deliberations discussion tonight, seconded by Commissioner Burns. The motion was unanimously approved.

4. CONSENT AGENDA
   a. Minutes
      1. **August 22, 2011 Regular P&Z Meeting**

Commissioner Burns motioned to accept the meeting minutes, seconded by Commissioner Doty. The motion was unanimously approved.

There was general discussion on enforcement issues and what the City Council's priority is. There was also discussion on the upcoming river walk.

Commissioner Fabiano motioned to adjourn the meeting, seconded by Commissioner Doty. The motion was unanimously approved.

The meeting was adjourned at 9:00 p.m.

_____

Co Chairman, Deborah Burns or
Co Chairman, Rich Fabiano

Recorded

CITY OF KETCHUM
PLANNING AND ZONING COMMISSION MEETING
October 10, 2011, 5:30 p.m.
Ketchum City Hall Meeting Room, Ketchum, Idaho

Present: Co-Chairman Deborah Burns
Co-Chairman Richard Fabiano
Commissioner Steve Cook
Commissioner Mike Doty
Commissioner Jeff Lamoureux

Also Present: Ketchum Community and Economic Development Director Lisa Horowitz
Ketchum Planning Manager Joyce Allgaier
Ketchum Associate Planner Rebecca Bundy
Ketchum Recording Secretary Sunny Grant

Co-Chairman Deborah Burns opened the Regular Planning & Zoning meeting at 5:30 p.m.

1. PUBLIC COMMENT ON ISSUES NOT ON THE AGENDA
There was no public comment at this time.

2. Findings of Fact – Visitor's Center Sign Design Review Denial

PUBLIC COMMENT:

Mickey Garcia said government "taste" turned a town or city into monotony. Ketchum didn't need a sign ordinance.

P&Z Commissioner Steve Cook moved to adopt the Findings of Fact for the Visitor's Center Sign Design Review – Denial, as presented. Motion seconded by P&Z Co-Chair Rich Fabiano, and passed unanimously.

3. Findings of Fact – Warm Springs Ranch Resort, Planned Unit Development and Conditional Use Permit Approval

Fabiano expressed dismay that the Commissioners received the revised Findings from the applicant so late.

Ketchum staff drafted the Findings, with additional wording suggestions by the applicant's attorney. Applicant's changes were reviewed by Ketchum City Attorney. Commissioners reviewed these revised Findings, and, at their request, staff will make a few new revisions on the Findings. Staff will also revise the Conditions of Approval per the PZ discussion.

P&Z Co-Chair Deborah Burns moved to approve the Planned Unit Development and Conditional Use Permit, subject to the following conditions and changes from the Addendum from the applicant, and changes to the body of the agreement for CED Director Horowitz, and P&Z Co-Chairs Fabiano and Burns to reread. Motion seconded by P&Z Commissioner Mike Doty. Motion passed with four in favor and P&Z Commissioner Steve Cook opposed. Cook said the Commission didn't have the chance to review the final changes to the document as a uniform body.

4. PUBLIC HEARING on the request by SHOCH FAMILY L.P., for a Subdivision Amendment, Design Review Amendment, and Modification to a Development Agreement. The subject property is located at 120 South East Avenue, Lot 4, Block 41, Ketchum Townsite. The application proposes to amend the configuration of the previously approved two (2) townhome sublots, amend the design elements for a townhome, and amend the previously approved development agreement in order to reflect the new ownership and development proposed for the property.

Also Present: Jill Eshman, representing the applicant
Garth McClure, representing the applicant
Jack Rutherford, representing the applicant

There is currently one townhome unit on Lot 3. The subject of this public hearing is Lot 4. The application includes amendment to the existing Development Agreement, Design Review approval and Subdivision Preliminary Plat, because the townhome sublot configurations are changed from the original. The original approval had a Development Agreement that referred to phasing and timing, and installation of utilities. Townhomes are an allowed use in the General Residential - Low Density zone district. This process of creating sublots is done through a subdivision process.

In addition to a time lapse, there have been some ownership changes, and this is an opportunity to clean up the plat.

2008 – East Avenue Bluff Townhomes was planned for four free-standing townhome units, on four sublots on Lots 3 and 4.
2010 – Lot 3 and Lot 4 were now under different ownership. P&Z approved an Amended Development Agreement for Lot 3, and the existing townhome was built on Lot 3.
2011 – The owner of Lot 4 wants to revise the Preliminary Plat. The development is still proposed to look much as it was proposed in 2008. There are now two sublots on Lot 4. Setbacks, height restrictions and parking minimum are all met.

Because of the townhome reconfiguration and sublot, this is a subdivision amendment. Design Review is specifically for Sublot 4A. There is no proposal for 4B at this time.

Different departments reviewed utilities on both lots. Eshman said the utility easements benefitting Lot 3 that originally ran directly through the middle of Lot 4 are now gone. The existing geothermal field exists on both Lots 3 and 4. It serves the house on Lot 3, and has the capacity to serve one additional house on Lot 4. The plat provides the Lot 4A owner with access to lot 4B, if and when 4B is constructed, for maintenance and repair of the geothermal field. A separate geothermal easement with map will be recorded.

The application is to build a perimeter wall, landscape the site and build one house. The only major change is to move the house off the hillside to lessen excavation costs and hillside impacts.

PUBLIC COMMENT:

Jack Bariteau asked the Commission to be sure the 35-foot height was properly measured. He also asked if there was any requirement for street work to be done as part of the original Development Agreement.

CLOSE PUBLIC COMMENT

Allgaier said the project was approved as it is built today.

P&Z concerns:
- Preserve parking in the area.
- Applicant must submit a lighting plan
- Present measurement of elevation from lowest grade of house to highest point.
- Existing retaining walls are different from what was approved in Design Review.

Staff and applicant made some revisions in the Conditions of Approval.

P&Z Co-Chair Rich Fabiano moved that this project, Lot 4, Block 41, Ketchum Townsite, does meet the standards for approval under Chapter 16.04.070 Ketchum Subdivision Regulations, of Chapter 17.96 of Ketchum Zoning Code Chapter 17.96 only if Conditions of Approval 1-11, as amended, are met. Motion seconded by P&Z Commissioner Steve Cook, and passed unanimously.

5. **HEARING on the application by SCOTT HUERD, represented by John Day, architect, for a Mountain Overlay Design Review at Ketchum Townsite, Block 93, Lot 4A (880 Walnut Avenue). The applicant is proposing to build a 3,471 square foot residence, to replace an existing house, located in the Limited Residential (LR) and Mountain Overlay (MO) Zones.**

The P&Z Commission did a site visit on this site before this meeting. The proposal is to replace an existing over 50-year-old home with a new house. One public comment from a neighbor requested Ketchum not waive any zoning criteria.

The application is for an approximately 3,500sf house, with garage. The lower level is tucked into the hillside and the living level is above. The existing house is built right on the property line, and does not comply with setbacks. The application proposes to use the site of the existing house as a flat driveway area, with a hammerhead turnaround, and will access the site close to where the existing driveway is. The driveway meets Code. Lot coverage, building height, setbacks, parking and curb cut meet Code requirements. All trees will be retained but one, which may have to be removed.

The house fits with Mountain Overlay Design Review criteria. It's set down at the lowest portion of the lot, approximately the same height as the house next door. It does not skyline, or stick above the ridge from any vantage point in the City. There are no rocks or knolls. Cuts and fills are minimized by locating the driveway along the topo lines.

The Fire Department had no problem with the design. The Street Department would like a culvert and a ditch along the east side of Walnut Avenue, where there are drainage issues. Street Department would also like a 60-100° skew angle at the bottom of the driveway, and an improved street rather than just a gravel driveway. The applicant is proposing concrete at the bottom of the driveway and pavers above.

P&Z Commission discussed:

- The applicant will need a right-of-way encroachment agreement for any work done within the public right-of-way. The right-of-way agreement has to be approved by City Council.
- Staff recommends roof and foundation drains be a condition of approval.
- Erosion will be addressed with a construction mitigation plan when they apply for building permit.
- The lot is not in an avalanche zone, and Code does not require single family homes be engineered for avalanches, but staff recommends the applicant conduct an avalanche study for their own safety.
- P&Z members requested a materials board. The applicant said they would be glad to present a sample board.
- Snow storage looks okay.
- Turn radius out of the garage for large cars doesn't look particularly functional.
- P&Z requested lighting plan for any exterior lighting.

PUBLIC COMMENT – NONE

P&Z Co-Chair Deborah Burns moved to continue the application by Scott Heurd, for a Mountain Overlay Design Review at Ketchum Townsite, Block 93, Lot 4A (880 Walnut Avenue), until October 24, 2011. Motion seconded by Steve Cook, and passed unanimously.

6. **PUBLIC HEARING upon the application of THE SUN VALLEY COMPANY for a Conditional Use Permit for approximately 300 parking spaces, including 115 day parking spaces for recreationists and snow storage in the winter and for recreationist parking during the summer, at Lot 16, Block 2, Greyhawk II Subdivision and Tax Lot 6856 (South end of Gates Road) located in the Tourist - 3000 (T-3000) and Floodplain Management Overlay (FP) Zones.**

7. **PUBLIC HEARING upon the application of THE SUN VALLEY COMPANY for a Conditional Use Permit for employee parking spaces and a public skier/pedestrian pathway to Puchner Lane at Lot 3, Greyhawk III Subdivision (319 Puchner Lane) located in the Tourist - 3000 (T-3000) and Floodplain Management Overlay (FP) Zones.**

Also Present: Marshall McGinnis, Sun Valley Company

Both of these Conditional Use Permits are to continue use of public and employee parking lot in the Tourist-3000 zone. The CUPs are renewed every three years since 2002. Staff has received no public comment. The Fire Department requires clear access for emergency vehicles. The Street Department warned that snow must be stored on Sun Valley property and not in the city rights-of-way. Lighting on the Puchner Lane property must comply with Dark Sky ordinance. The Greyhawk II property shall be maintained with a dust and mud-free gravel lot surface. In the conditions for both CUP's the word "Knapweed" should be changed to "Noxious weeds".

P&Z Commissioner Mike Doty moved that this project, Sun Valley Company Mountain Recreation Parking Lot at Lot 16, Block 2, Greyhawk II Subdivision and Tax Lot 6856 (South end of Gates Road) located in the Tourist - 3000 (T-3000) and Floodplain Management Overlay (FP) Zones, does meet the standards for approval under chapters 17.56, 17.88, 17.116 and 17.124 Ketchum Zoning Code Title 17, provided Conditions of Approval 1-9, as amended, are met. Motion seconded by P&Z Co-Chair Rich Fabiano, and passed unanimously.

P&Z Co-Chair Rich Fabiano moved that this project, a Conditional Use Permit for employee parking spaces and a public skier/pedestrian pathway to Puchner Lane at Lot 3, Greyhawk III Subdivision (319 Puchner Lane) located in the Tourist - 3000 (T-3000) and Floodplain Management Overlay (FP) Zones, provided Conditions of Approval 1-11, as amended are met. Motion seconded by Commissioner Cook?, and passed unanimously.

8. **ADJOURNMENT**

P&Z Commissioner Steve Cook moved to adjourn the meeting at 8:20 p.m. P&Z Co-Chair Deborah Burns seconded the motion, and it passed unanimously.

Co-Chairman Deborah Burns

Co-Chairman Richard Fabiano

CC: City Council