

Attachment D:
Bald Mountain Lodge Traffic Impact Update
LSC Transportation Consultants, Inc., dated March 4, 2013
(Earlier traffic studies available at the Planning Division offices.)



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MEMORANDUM

DATE: March 4, 2013
TO: Lisa Horowitz, City of Ketchum
FROM: Gordon Shaw and Jason Briedis, LSC
SUBJECT: Bald Mountain Lodge Traffic Impact Assessment Update

The purpose of this memorandum is to provide updated estimates of trip generation for the proposed Bald Mountain Lodge development, and discuss traffic conditions with the revised proposed project. The proposed development is located in the southern portion of Ketchum, Idaho along the west side of Main Street, between River Street and 1st Street.¹ This update is in response to the project developer's modification of the proposed land uses. As part of this analysis, LSC also evaluated the traffic Level Of Service (LOS) and queuing conditions along Main Street at the 1st Street and River Street intersections assuming a three-lane cross-section.

Trip Generation Update

This analysis evaluates changes to the trip generation analysis presented in the *Bald Mountain Lodge Transportation Impact Assessment* prepared by Galena Engineering, Inc. in January of 2010. In a letter dated January 15, 2013, the project developer proposes to modify the land uses of the project from those evaluated by Galena Engineering in 2010. The changes to the land uses are to eliminate 18 of the residential or condominium units and to replace them with 37 hotel rooms. These changes are limited to the 4th floor of the proposed development. This analysis assumes that the remaining land uses within the hotel development will remain as originally proposed.

The revised trip generation analysis is presented in the attached Table A. This trip generation revision begins with the final trip generation estimate provided by Galena Engineering. The net change in daily, AM peak hour, PM peak hour trips generated by the new land uses is then added to the original trip generation estimate. Consistent with the original analysis, the reduction in trip generation due to the elimination of the residential units is estimated based on the "Luxury Condominium/Townhouse" land use in the Institute of Transportation Engineers (ITE) *Trip Generation* (9th Edition, 2012). The trip generation of the hotel units is estimated

¹ As with other traffic studies, Main Street is assumed to be on a north-south alignment.

using ITE's "Resort Hotel" land use. Also consistent with the original analysis, a 20 percent reduction in trip is assumed for internal trips and for non-auto transportation modes. ITE does not provide daily trip generation rates for the land uses evaluated in this analysis. Therefore, daily trip generation rates are estimated based on "related" land uses, as listed in ITE. It should also be noted, that although the original analysis is based on rates presented in the 7th Edition of *Trip Generation*, the trip rates for the land uses in this analysis are identical in the 7th and 9th editions. As shown in Table A, the new proposed land uses would generate a net increase in 101 daily trips, 3 AM peak hour trips (an increase 6 entering and a reduction in 3 exiting), and 6 PM peak hour trips (1 entering and 5 exiting) compared with the original analysis. In other words, the change in land use would increase directional volumes in any peak hour by no more than 1 additional car every 10 minutes.

These changes in trip generation result in a change in total volume on Main Street at any one location of not more than 0.2 percent. Due to the small change in the number of trips as compared with the original analysis, it is not necessary to reevaluate intersection LOS in the project vicinity. The original LOS analysis presented in the Galena Engineering TIA remains valid in light of the change in proposed land uses.

Analysis of Three-Lane Main Street

Also as part of this review, LSC was asked to evaluate conditions along Main Street at the 1st Street and River Street intersections, assuming a three-lane cross-section on Main Street. Intersection LOS and intersection queuing for a conceptual three-lane cross-section were analyzed for both AM and PM peak hours and for both 2013 and 2018 (with project traffic volumes). The Synchro/Simtraffic package was used to simulate the two intersections. Intersection LOS is based on the simulated delays, applying the LOS standards of the *Highway Capacity Manual* (Transportation Research Board, 2010).

Screen shots of the simulation showing queuing and input total intersection traffic volumes are presented attached. This simulation was based on the following:

- The Main Street intersection approaches are assumed to have one shared thru-right lane and an exclusive left-turn lane in each direction at each of the two intersections in the simulation.
- The River Street and First Street approaches are assumed to retain their existing single-lane approaches.
- The traffic signal at the Main Street/First Street intersection is assumed to operate as a two-phase signal².
- A defined signal cycle length of 120 seconds was assumed. This was considered to be the longest cycle length that pedestrians would accept without becoming impatient and crossing against the signal. A longer cycle length provides maximum through capacity on Main Street. As the Main/1st signal would be part of the larger coordinated signal system, a defined cycle length was assumed.

² Other timing options were also considered that included split phasing (with protected left turn movements) on various approaches, but were found to result in worse delays than two-phase operation. This is due to the low left turning volumes relative to the high through volumes.

- Minimum green time for 1st Avenue movements was defined as 15 seconds. This is the minimum length of time needed for pedestrian crossing of Main Street.
- The simulation assumes the existing two-way stop-controlled configuration at the Main Street/River Street intersection, as a traffic signal is not warranted at this location due to low traffic volumes on the River Street approaches. Although a traffic signal at this intersection would reduce delays to River Street traffic, it would exacerbate delays and queuing on the Main Street approaches.

The results are provided, attached, and summarized in Table B. As shown, the three-lane Main Street configuration would result in unreasonable delays and traffic queues for all analysis periods:

- In 2013, long delays (exceeding two minutes) would occur on the westbound approaches to Main Street, both on 1st Street and on River Street, in both the AM and PM peak hour. Long delays (of roughly 3 minutes) would also occur on the eastbound approach of River Street in the PM peak-hour.
- Perhaps more problematic in 2013 are the long traffic queues that would occur on specific movements. In the AM peak hour, the northbound queue into downtown would extend 1,235 feet to the south. In the PM peak hour the southbound queue out of downtown would extend 1,071 feet, or to a point just south of 5th Street. This would have the potential of blocking the additional signalized intersections to the north, causing "gridlock". The westbound queues in 2013 on River Street would also extend back across Leadville Avenue on 1st Street in the AM peak hour.
- The additional 2 percent annual growth in traffic volumes result in 2018 conditions that are substantially worse than 2013 conditions. Overall intersection LOS falls to F for both intersections in the AM peak-hour as well as at the Main Street/1st Street intersection in the PM peak-hour, and to LOS D for the Main Street/River Street intersection in the PM peak-hour.
- 2018 queue lengths also would be very significant, extending roughly 0.6 miles in the northbound direction in the AM peak-hour (to just beyond Serenade Lane), as well as roughly 0.6 miles in the southbound direction in the PM peak-hour. Long queues would also form on the eastbound and westbound approaches, such as a westbound queue on 1st Street in the PM peak-hour that would extend back beyond East Avenue.

This simulation uses pre-defined traffic volumes, which do not vary based upon delays. In actuality, the levels of delays and queues identified in the simulations would cause many drivers to change their travel routes, times or mode. In particular, a very substantial shift in traffic off of Main Street and onto the parallel routes along 2nd Avenue and 3rd Avenue/Cottonwood Street. Even with this shift in traffic, long queues and delays would remain, as this diversion of traffic would only occur so long as the diverted route (with the additional out-of-direction travel time) yields a shorter travel time.

Findings and Conclusions

The following summarize the findings of this limited traffic analysis of the proposed Bald Mountain Lodge:

- The change to the proposed land uses of the Bald Mountain Lodge (as indicated in a letter from Michael W. Kerby of HighMark Investments to Lisa Horowitz of the City of Ketchum, dated January 15, 2013) would result in an increase in 101 daily one-way vehicle-trips, including an increase in 3 trips during the AM peak hour and an increase of 6 trips during the PM peak hour.
- With this change in land use, the Bald Mountain Lodge project would generate an estimated 1,108 vehicle-trips per day, of which 46 would occur in the AM peak-hour and 87 in the PM peak-hour.
- The findings of the January 2010 *Bald Mountain Lodge Transportation Impact Assessment* prepared by Galena Engineering, Inc. with regards to LOS and traffic queue lengths would not be changed noticeably by this change in traffic volumes, and remain appropriate.
- A limited analysis and simulation of Main Street with a three-lane cross-section was evaluated. The results indicate that reducing capacity along Main Street would cause excessive delays at intersections. The analysis also predicts long traffic queues along Main Street that would persist throughout the AM and PM peak hours. Of particular concern, southbound queues formed from the Main Street/1st Avenue intersection would extend northward through the 2nd Street, 3rd Street and 4th Street intersections, creating the potential for “gridlock” conditions. Similarly, westbound queues on 1st Avenue would form back through the Leadville Avenue intersection, and northbound queues on Main Street would extend back to Serenade Lane.
- In reality, the extent of delays and queues identified in the traffic simulation would result in very substantial diversion off of Main Street and onto parallel routes such as 2nd Avenue and Cottonwood Street/3rd Avenue. Even with these diversions (and associated impacts on the parallel routes), long delays and queues would remain on Main Street.

TABLE B: Traffic Performance of Potential 3-Lane Main Street

Analysis Period/Intersection	Northbound	Southbound	Eastbound	Westbound	Total Intersection
95th Percentile Queue Length (feet) ¹					
2013 AM					
Main Street/1st Street	1,235	113	141	246	--
Main Street/River Street	--	27	47	163	--
2013 PM					
Main Street/1st Street	347	1,071	154	1,113	--
Main Street/River Street	--	32	147	140	--
2018 AM					
Main Street/1st Street	3,353	214	148	196	--
Main Street/River Street	--	25	86	188	--
2018 PM					
Main Street/1st Street	2,541	3,451	157	2,516	--
Main Street/River Street	--	30	132	136	--
Average Delay per Intersection Approach (sec/vehicle) ¹					
2013 AM					
Main Street/1st Street	39.6	6.4	61.7	128.1	36.9
Main Street/River Street	--	1.2	36.6	377.8	27.8
2013 PM					
Main Street/1st Street	15.6	48.7	34.0	227.9	59.7
Main Street/River Street	--	2.2	179.0	271.6	9.3
2018 AM					
Main Street/1st Street	125.6	17.2	69.2	117.7	97.5
Main Street/River Street	--	1.4	153.9	500.3	91.9
2018 PM					
Main Street/1st Street	105.8	129.0	41.7	605.8	174.1
Main Street/River Street	--	2.4	341.5	349.6	40.2
Level of Service²					
2013 AM					
Main Street/1st Street	D	A	E	F	D
Main Street/River Street	N/A	N/A	E	F	C
2018 AM					
Main Street/1st Street	B	D	C	F	E
Main Street/River Street	N/A	N/A	F	F	A
2018 PM					
Main Street/1st Street	F	B	E	F	F
Main Street/River Street	N/A	N/A	F	F	F
2018 PM					
Main Street/1st Street	F	F	D	F	F
Main Street/River Street	N/A	N/A	F	F	D

Note 1: Results are based on the results of SimTraffic microsimulations.

Note 2: Based on HCM criteria applied to Simtraffic delays.

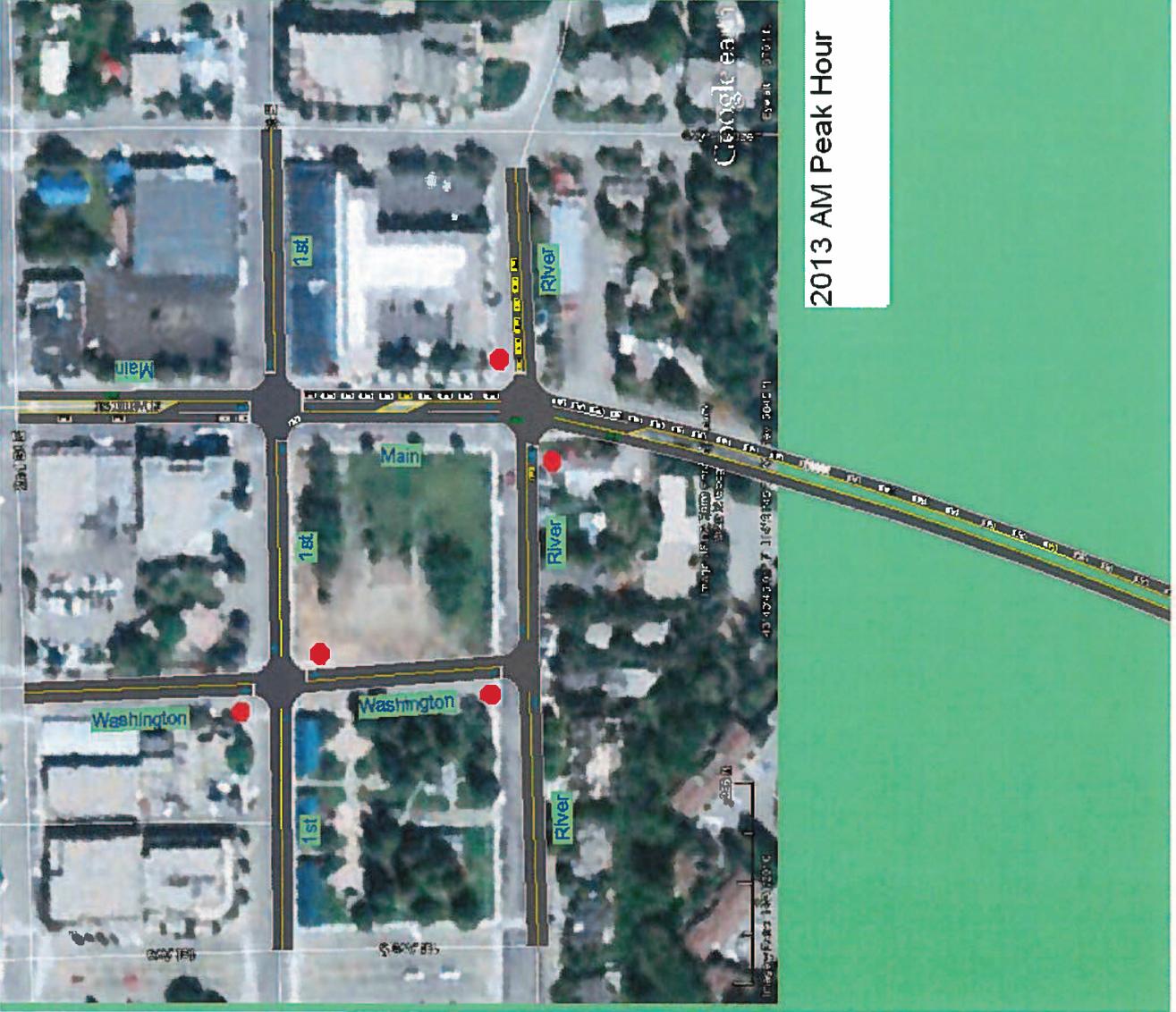
Source: LSC Transportation Consultants, Inc.

TABLE A: Bald Mountain Lodge - Revised Trip Generation																		
tripio	ITE Land Use Code	Quantity	Unit	Trip Generation Rates ¹						Project Generated Vehicle Trips at Site Access								
				AM Peak Hour		PM Peak Hour		Daily	Percent Internal ²	AM Peak Hour		PM Peak Hour						
				In	Out	In	Out			In	Out	In	Out	Total				
Trip Generation of Original Land Uses ¹																		
Change to 4th-Floor Land Use Allocation ²																		
<u>Land Use</u>																		
	330	37	Rooms	6.24	0.27	0.10	0.37	0.21	0.28	0.49	185	20%	8	3	11	6	8	14
	233	-18	Units	5.81	0.13	0.43	0.56	0.35	0.20	0.55	-84	20%	-2	-6	-8	-5	-3	-8
Change in Trip Generation from Original to New Proposed Land Uses																		
Total Trip Generation of New Proposed Land Uses																		
Percent Change																		
											101		6	-3	3	1	5	6
											1,108		30	16	46	44	43	87
											10.0%			7.0%				7.4%

Note 1: Reference Bald Mountain Lodge Transportation Impact Assessment (Galena Engineering, Inc., January 2010).

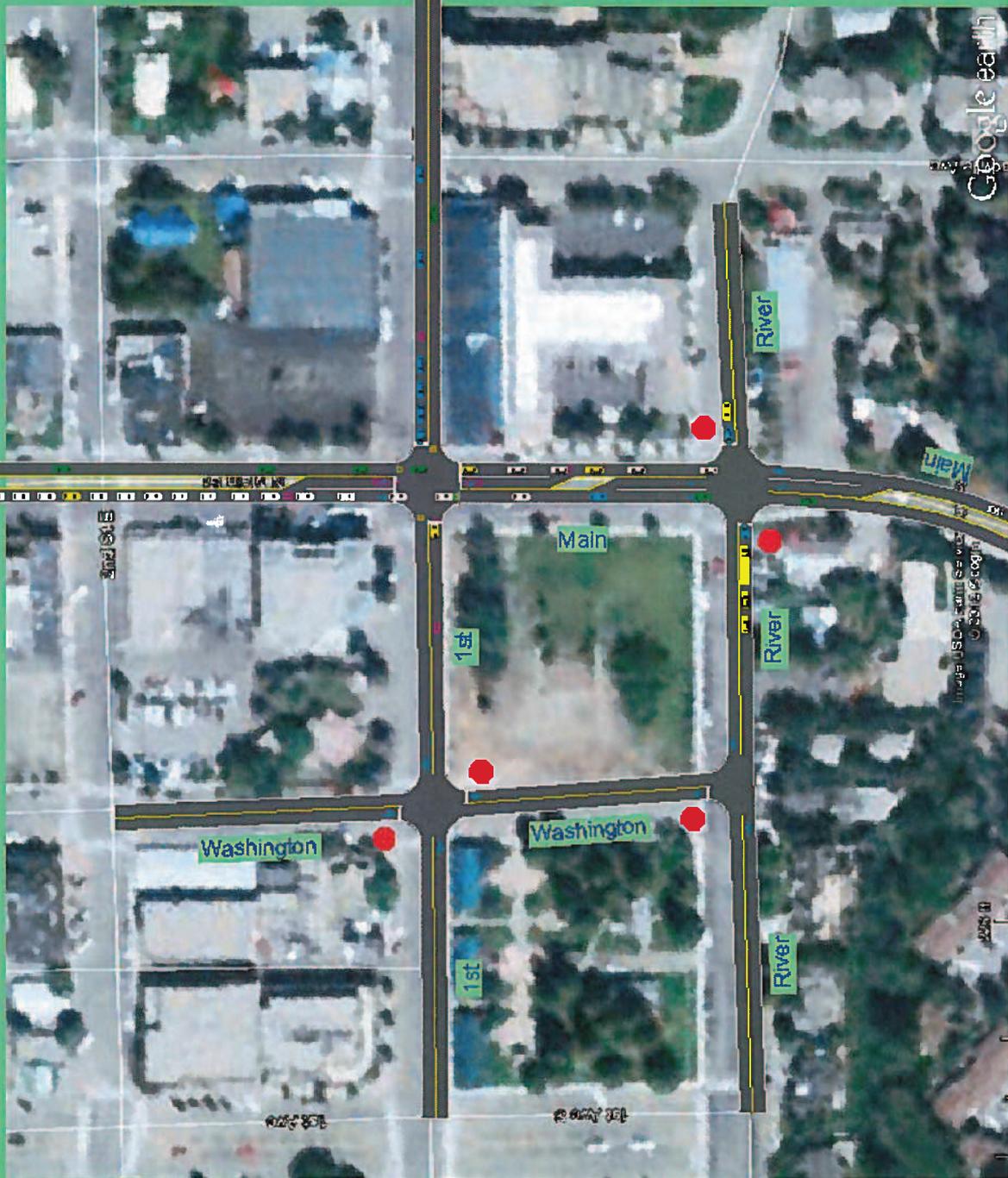
Note 2: Trip rates for new land uses are based on Trip Generation (9th Edition, ITE, 2012).

Source: Galena Engineering, Inc.; ITE

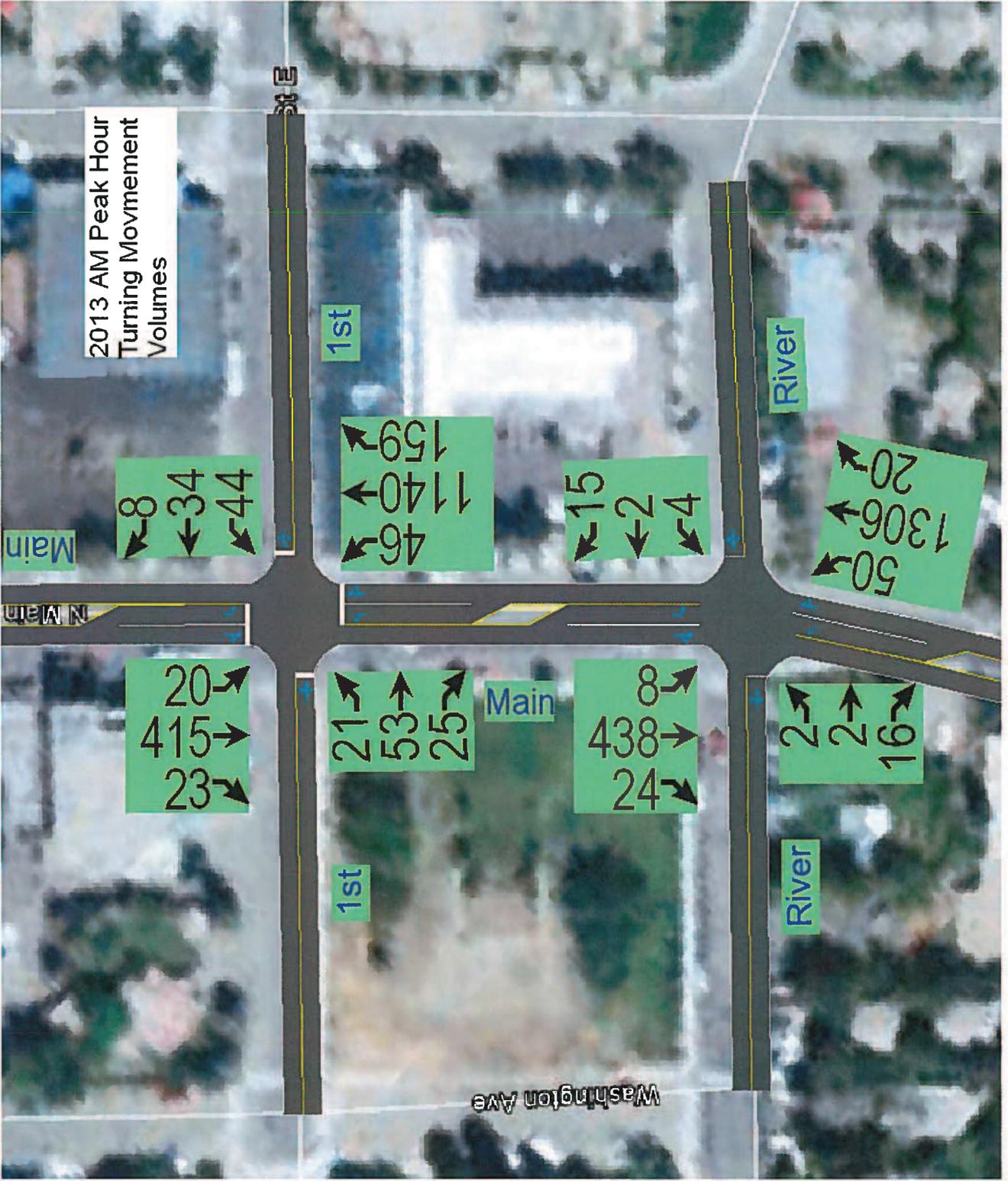


2013 AM Peak Hour

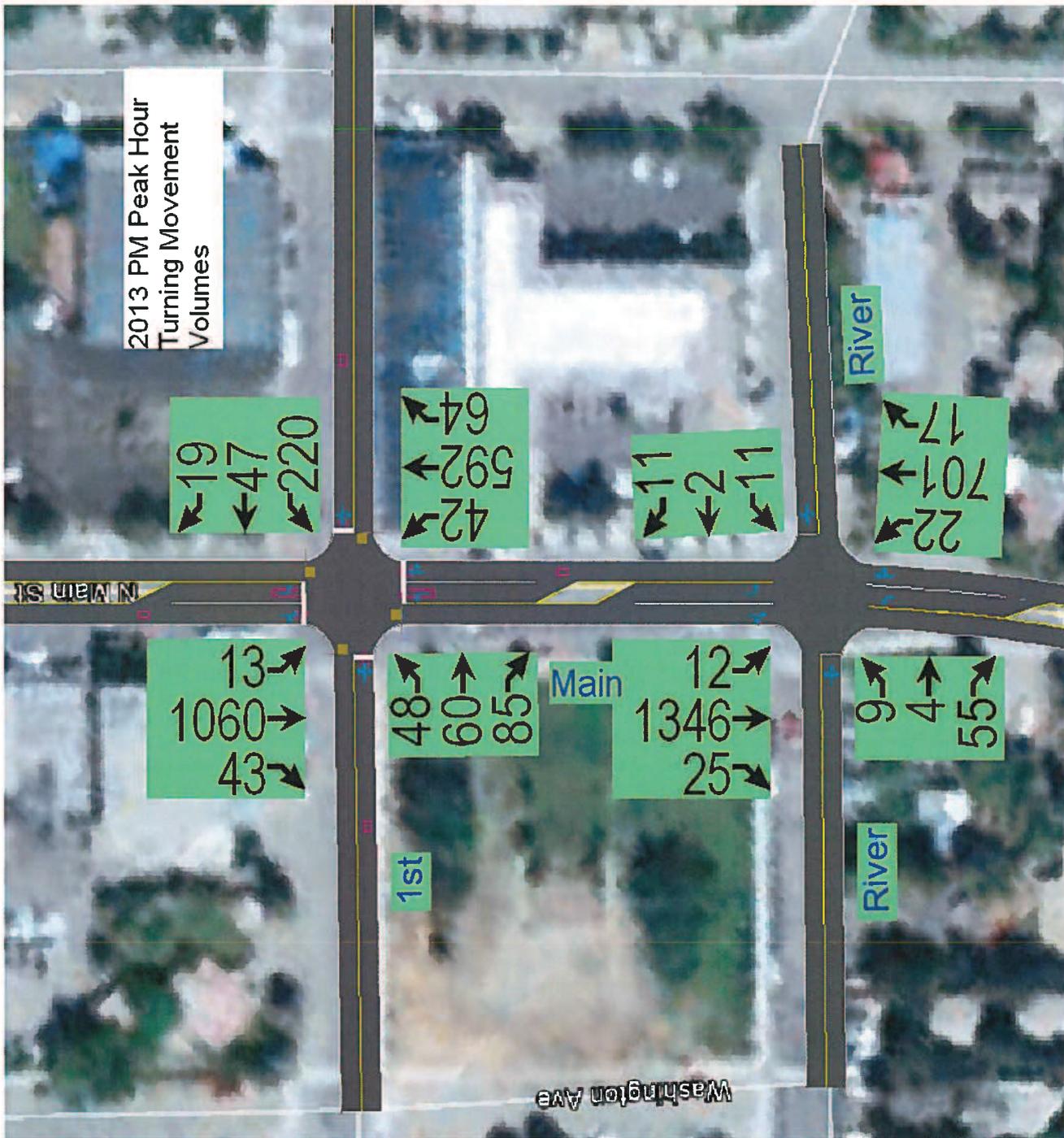
2013 PM Peak Hour



2013 AM Peak Hour
Turning Movement
Volumes



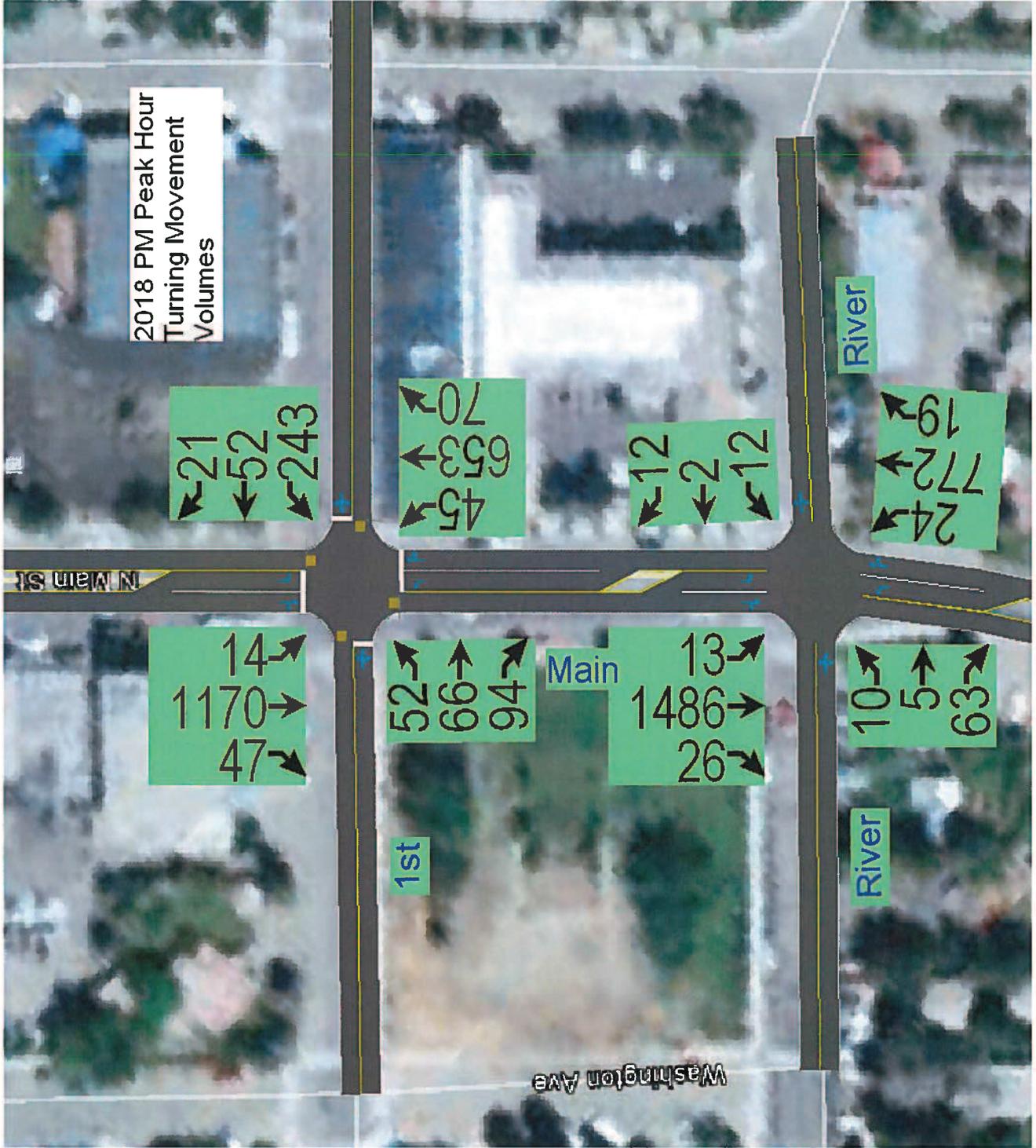
2013 PM Peak Hour
Turning Movement
Volumes



2018 AM Peak Hour
Turning Movement
Volumes



2018 PM Peak Hour
Turning Movement
Volumes



1: Main & River Performance by approach

Approach	EB	WB	NB	SB	All
Denied Delay (hr)	0.0	0.0	1.0	0.0	1.0
Denied Del/Veh (s)	0.1	0.1	2.7	0.0	1.9
Total Delay (hr)	0.2	2.4	12.3	0.2	15.1
Total Del/Veh (s)	36.6	377.8	31.3	1.2	27.8
Denied Entry After	0	0	1	0	1

2: Main & 1st Performance by approach

Approach	EB	WB	NB	SB	All
Denied Delay (hr)	0.2	0.1	0.2	0.1	0.6
Denied Del/Veh (s)	6.9	3.9	0.6	0.5	1.1
Total Delay (hr)	1.7	3.5	3.1	0.8	9.2
Total Del/Veh (s)	61.7	128.1	8.3	6.4	16.4
Denied Entry After	0	0	0	0	0

3: Washington & 1st Performance by approach

Approach	WB	All
Denied Delay (hr)	0.0	0.0
Denied Del/Veh (s)	0.0	0.0
Total Delay (hr)	0.0	0.0
Total Del/Veh (s)	0.8	0.8
Denied Entry After	0	0

4: River & Washington Performance by approach

Approach	WB	All
Denied Delay (hr)	0.0	0.0
Denied Del/Veh (s)	0.0	0.0
Total Delay (hr)	0.0	0.0
Total Del/Veh (s)	0.3	0.3
Denied Entry After	0	0

Total Network Performance

Denied Delay (hr)	1.6
Denied Del/Veh (s)	2.8
Total Delay (hr)	25.7
Total Del/Veh (s)	42.7
Denied Entry After	1

Queuing and Blocking Report
Baseline

3/4/2013

Intersection: 1: Main & River

Movement	EB	WB	NB	NB	SB
Directions Served	LTR	LTR	L	TR	L
Maximum Queue (ft)	64	173	104	1195	36
Average Queue (ft)	17	67	21	360	6
95th Queue (ft)	47	163	65	977	27
Link Distance (ft)		216		3158	
Upstream Blk Time (%)		1			
Queuing Penalty (veh)		0			
Storage Bay Dist (ft)			80		80
Storage Blk Time (%)				11	
Queuing Penalty (veh)				5	

Intersection: 2: Main & 1st

Movement	EB	WB	NB	NB	SB	SB
Directions Served	LTR	LTR	L	TR	L	TR
Maximum Queue (ft)	131	253	87	233	80	148
Average Queue (ft)	76	123	25	218	21	61
95th Queue (ft)	141	246	67	258	59	113
Link Distance (ft)		257		221		257
Upstream Blk Time (%)		6		5		
Queuing Penalty (veh)		0		72		
Storage Bay Dist (ft)			80		80	
Storage Blk Time (%)				14	3	2
Queuing Penalty (veh)				7	13	0

Intersection: 3: Washington & 1st

Movement
Directions Served
Maximum Queue (ft)
Average Queue (ft)
95th Queue (ft)
Link Distance (ft)
Upstream Blk Time (%)
Queuing Penalty (veh)
Storage Bay Dist (ft)
Storage Blk Time (%)
Queuing Penalty (veh)

Queuing and Blocking Report
Baseline

3/4/2013

Intersection: 4: River & Washington

Movement

Directions Served
Maximum Queue (ft)
Average Queue (ft)
95th Queue (ft)
Link Distance (ft)
Upstream Blk Time (%)
Queuing Penalty (veh)
Storage Bay Dist (ft)
Storage Blk Time (%)
Queuing Penalty (veh)

Network Summary

Network wide Queuing Penalty: 97

1: Main & River Performance by approach

Approach	EB	WB	NB	SB	All
Denied Delay (hr)	3.2	0.0	0.2	0.0	3.4
Denied Del/Veh (s)	169.4	0.1	0.8	0.1	5.7
Total Delay (hr)	2.9	1.4	0.4	0.8	5.6
Total Del/Veh (s)	179.0	271.6	2.1	2.2	9.3
Denied Entry After	10	0	0	0	10

2: Main & 1st Performance by approach

Approach	EB	WB	NB	SB	All
Denied Delay (hr)	0.2	0.0	0.0	0.4	0.6
Denied Del/Veh (s)	3.4	0.2	0.0	1.4	1.0
Total Delay (hr)	1.9	18.6	2.7	15.6	38.8
Total Del/Veh (s)	34.0	227.9	13.5	48.7	59.0
Denied Entry After	0	0	0	1	1

3: Washington & 1st Performance by approach

Approach	WB	All
Denied Delay (hr)	0.0	0.0
Denied Del/Veh (s)	0.0	0.0
Total Delay (hr)	0.0	0.0
Total Del/Veh (s)	0.8	0.8
Denied Entry After	0	0

4: River & Washington Performance by approach

Approach	WB	All
Denied Delay (hr)	0.0	0.0
Denied Del/Veh (s)	0.0	0.0
Total Delay (hr)	0.0	0.0
Total Del/Veh (s)	0.4	0.4
Denied Entry After	0	0

Total Network Performance

Denied Delay (hr)	4.1
Denied Del/Veh (s)	6.0
Total Delay (hr)	47.4
Total Del/Veh (s)	67.6
Denied Entry After	11

Queuing and Blocking Report
Baseline

3/4/2013

Intersection: 1: Main & River

Movement	EB	WB	NB	NB	SB	SB
Directions Served	LTR	LTR	L	TR	L	TR
Maximum Queue (ft)	125	173	50	175	38	7
Average Queue (ft)	87	44	15	23	9	0
95th Queue (ft)	147	140	43	95	32	4
Link Distance (ft)		216		302		221
Upstream Blk Time (%)		4				
Queuing Penalty (veh)		0				
Storage Bay Dist (ft)			80		80	
Storage Blk Time (%)				1		
Queuing Penalty (veh)				0		

Intersection: 2: Main & 1st

Movement	EB	WB	NB	NB	SB	SB
Directions Served	LTR	LTR	L	TR	L	TR
Maximum Queue (ft)	136	840	104	228	78	1086
Average Queue (ft)	105	528	47	160	11	590
95th Queue (ft)	154	1113	99	252	46	1071
Link Distance (ft)		4964		221		4699
Upstream Blk Time (%)				2		
Queuing Penalty (veh)				14		
Storage Bay Dist (ft)			80		80	
Storage Blk Time (%)			10	17		31
Queuing Penalty (veh)			68	7		4

Intersection: 3: Washington & 1st

Movement
Directions Served
Maximum Queue (ft)
Average Queue (ft)
95th Queue (ft)
Link Distance (ft)
Upstream Blk Time (%)
Queuing Penalty (veh)
Storage Bay Dist (ft)
Storage Blk Time (%)
Queuing Penalty (veh)

Queuing and Blocking Report
Baseline

3/4/2013

Intersection: 4: River & Washington

Movement

Directions Served
Maximum Queue (ft)
Average Queue (ft)
95th Queue (ft)
Link Distance (ft)
Upstream Blk Time (%)
Queuing Penalty (veh)
Storage Bay Dist (ft)
Storage Blk Time (%)
Queuing Penalty (veh)

Network Summary

Network wide Queuing Penalty: 94

1: Main & River Performance by approach

Approach	EB	WB	NB	SB	All
Denied Delay (hr)	0.2	0.2	23.0	0.0	23.4
Denied Del/Veh (s)	26.2	25.7	54.4	0.0	40.3
Total Delay (hr)	0.9	3.2	48.5	0.2	52.8
Total Del/Veh (s)	153.9	500.3	116.3	1.4	91.9
Denied Entry After	1	2	66	0	69

2: Main & 1st Performance by approach

Approach	EB	WB	NB	SB	All
Denied Delay (hr)	0.2	0.0	0.4	4.5	5.0
Denied Del/Veh (s)	5.4	0.2	1.1	32.9	8.8
Total Delay (hr)	2.1	2.9	3.6	2.3	10.9
Total Del/Veh (s)	69.2	117.7	9.3	17.2	19.0
Denied Entry After	0	0	0	0	0

3: Washington & 1st Performance by approach

Approach	WB	All
Denied Delay (hr)	0.0	0.0
Denied Del/Veh (s)	0.0	0.0
Total Delay (hr)	0.0	0.0
Total Del/Veh (s)	0.8	0.8
Denied Entry After	0	0

4: River & Washington Performance by approach

Approach	WB	All
Denied Delay (hr)	0.0	0.0
Denied Del/Veh (s)	0.0	0.0
Total Delay (hr)	0.0	0.0
Total Del/Veh (s)	0.3	0.3
Denied Entry After	0	0

Total Network Performance

Denied Delay (hr)	28.4
Denied Del/Veh (s)	44.7
Total Delay (hr)	65.3
Total Del/Veh (s)	102.5
Denied Entry After	69

Queuing and Blocking Report
Baseline

3/4/2013

Intersection: 1: Main & River

Movement	EB	WB	NB	NB	SB	SB
Directions Served	LTR	LTR	L	TR	L	TR
Maximum Queue (ft)	80	163	49	3116	30	7
Average Queue (ft)	35	83	19	1522	6	0
95th Queue (ft)	86	188	49	3116	25	4
Link Distance (ft)		216		3158		221
Upstream Blk Time (%)		5		3		
Queuing Penalty (veh)		0		0		
Storage Bay Dist (ft)			25		80	
Storage Blk Time (%)			5	15		
Queuing Penalty (veh)			67	8		

Intersection: 2: Main & 1st

Movement	EB	WB	NB	NB	SB	SB
Directions Served	LTR	LTR	L	TR	L	TR
Maximum Queue (ft)	141	205	104	237	91	234
Average Queue (ft)	87	104	26	225	41	94
95th Queue (ft)	148	196	73	237	96	214
Link Distance (ft)		257		221		257
Upstream Blk Time (%)				7		7
Queuing Penalty (veh)				106		0
Storage Bay Dist (ft)			80		80	
Storage Blk Time (%)			0	16	17	3
Queuing Penalty (veh)			6	8	79	1

Intersection: 3: Washington & 1st

Movement
Directions Served
Maximum Queue (ft)
Average Queue (ft)
95th Queue (ft)
Link Distance (ft)
Upstream Blk Time (%)
Queuing Penalty (veh)
Storage Bay Dist (ft)
Storage Blk Time (%)
Queuing Penalty (veh)

Queuing and Blocking Report
Baseline

3/4/2013

Intersection: 4: River & Washington

Movement

Directions Served
Maximum Queue (ft)
Average Queue (ft)
95th Queue (ft)
Link Distance (ft)
Upstream Blk Time (%)
Queuing Penalty (veh)
Storage Bay Dist (ft)
Storage Blk Time (%)
Queuing Penalty (veh)

Network Summary

Network wide Queuing Penalty: 275

1: Main & River Performance by approach

Approach	EB	WB	NB	SB	All
Denied Delay (hr)	16.0	0.0	1.8	0.0	17.9
Denied Del/Veh (s)	713.1	0.1	7.9	0.1	27.8
Total Delay (hr)	4.6	1.8	18.4	0.9	25.8
Total Del/Veh (s)	341.5	349.6	79.7	2.4	40.2
Denied Entry After	35	0	0	0	35

2: Main & 1st Performance by approach

Approach	EB	WB	NB	SB	All
Denied Delay (hr)	0.6	0.0	0.0	0.6	1.2
Denied Del/Veh (s)	9.4	0.3	0.0	1.8	1.7
Total Delay (hr)	2.5	57.2	5.5	46.2	111.5
Total Del/Veh (s)	41.7	605.8	26.1	129.0	154.0
Denied Entry After	0	0	0	1	1

3: Washington & 1st Performance by approach

Approach	WB	All
Denied Delay (hr)	0.0	0.0
Denied Del/Veh (s)	0.0	0.0
Total Delay (hr)	0.0	0.0
Total Del/Veh (s)	0.7	0.7
Denied Entry After	0	0

4: River & Washington Performance by approach

Approach	WB	All
Denied Delay (hr)	0.0	0.0
Denied Del/Veh (s)	0.0	0.0
Total Delay (hr)	0.0	0.0
Total Del/Veh (s)	0.4	0.4
Denied Entry After	0	0

Total Network Performance

Denied Delay (hr)	19.1
Denied Del/Veh (s)	25.5
Total Delay (hr)	145.0
Total Del/Veh (s)	183.5
Denied Entry After	36

Queuing and Blocking Report
Baseline

3/4/2013

Intersection: 1: Main & River

Movement	EB	WB	NB	NB	SB	SB
Directions Served	LTR	LTR	L	TR	L	TR
Maximum Queue (ft)	125	165	66	1654	44	6
Average Queue (ft)	107	51	13	595	7	0
95th Queue (ft)	132	136	47	2256	30	3
Link Distance (ft)		216		3150		221
Upstream Blk Time (%)		0		5		
Queuing Penalty (veh)		0		0		
Storage Bay Dist (ft)			80		50	
Storage Blk Time (%)				20	0	
Queuing Penalty (veh)				5	2	

Intersection: 2: Main & 1st

Movement	EB	WB	NB	NB	SB	SB
Directions Served	LTR	LTR	L	TR	L	TR
Maximum Queue (ft)	151	2470	145	241	78	2827
Average Queue (ft)	116	1439	89	192	11	1774
95th Queue (ft)	157	2516	169	285	43	3451
Link Distance (ft)		4964		221		4699
Upstream Blk Time (%)				17		
Queuing Penalty (veh)				136		
Storage Bay Dist (ft)			120		80	
Storage Blk Time (%)			33	14		32
Queuing Penalty (veh)			237	6		4

Intersection: 3: Washington & 1st

Movement
Directions Served
Maximum Queue (ft)
Average Queue (ft)
95th Queue (ft)
Link Distance (ft)
Upstream Blk Time (%)
Queuing Penalty (veh)
Storage Bay Dist (ft)
Storage Blk Time (%)
Queuing Penalty (veh)

Queuing and Blocking Report
Baseline

3/4/2013

Intersection: 4: River & Washington

Movement

Directions Served
Maximum Queue (ft)
Average Queue (ft)
95th Queue (ft)
Link Distance (ft)
Upstream Blk Time (%)
Queuing Penalty (veh)
Storage Bay Dist (ft)
Storage Blk Time (%)
Queuing Penalty (veh)

Network Summary

Network wide Queuing Penalty: 390

**Attachment E:
First Amendment to the Bald Mountain Lodge Development Agreement,
Dated November 7, 2011**

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Community and Economic Development Director
City of Ketchum
P.O. Box 2315
Ketchum, Idaho 83340

(Space Above Line For Recorder's Use)

**FIRST AMENDMENT TO THE BALD MOUNTAIN LODGE DEVELOPMENT
AGREEMENT**

This First Amendment ("First Amendment") is made as of Nov. 7, 2011 by and between the City of Ketchum, Idaho ("Ketchum"), a municipal corporation, and Bald Mountain Lodge, LLC, a Delaware limited liability company ("Owner", and together with Ketchum, the "Parties").

1. Recitals. This Amendment is made in contemplation of the following facts and purposes:

1.1 Ketchum and Owner are parties to a Bald Mountain Lodge Development Agreement ("Agreement"), dated September 17, 2010, and recorded on September 30, 2010 in the records of Blaine County, Idaho as Instrument No. 581098, under and by virtue of which the Parties established certain rights and obligations with regard to the development of the real property commonly known as the Bald Mountain Lodge, 151 South Main Street, Ketchum and more particularly described in Exhibit "A" of the Agreement.

1.2 The parties desire to amend and supplement the Agreement as hereinafter provided.

2. Amendments. In view of the foregoing, the Parties agree to amend and supplement the Agreement, as follows:

2.1 Section 8 (Workforce Housing) is deleted and the following is substituted therefore:

8. CONSTRUCTION TIMELINE AND INCENTIVES. Owner acknowledges Ketchum's desire for a construction commencement date at the earliest possible time. Ketchum, having exercised its discretion in approving this Agreement, the PUD Findings and Design Review Findings, shall act reasonably and in good faith when processing the approval or issuance of such applications, permits, plans, specifications, plats, and/or entitlements for the Project as may be necessary or prudent in order to implement the Project, and consistent with the Ketchum City Code and applicable State and/or federal laws, so that Owner will have the benefit of the incentives provided Section 8.1, 8.2 and 8.3 below. In regards to the obligations in this Section 8, time is of the essence. In consideration of Owner's option to commence construction as early as 2011, Ketchum agrees to the following construction incentives:

8.1 Timeline A. The Project shall receive the following waivers if a building permit is applied for by December 31, 2012 and construction commences by June 30, 2012. If a building permit is not applied for by December 31, 2012, construction does not commence in June 30, 2012 and the certificate of occupancy for the hotel portion of the Project is not approved by January 30 2016, these waivers shall not apply.

8.1.1 Community Housing. The community housing requirement of 7,444 square feet or approximately \$2.36 million in-lieu payment is waived in its entirety (based on extension of the Hotel Community Housing Waiver in the Community Core Zoning District).

8.1.2 Employee/Workforce Housing. The employee housing requirement is waived in its entirety.

8.1.3 Infrastructure Partnering. Owner will construct and pay for all Project infrastructure requirements including undergrounding of power lines and installation of street improvements. The Urban Renewal Agency (“URA”) is an agency of Ketchum whose purpose is to encourage and provide financial support to the redevelopment and revitalization of Ketchum. Ketchum agrees to recommend to that URA that the URA reimburse Owner for costs of qualified public infrastructure improvements. Qualified public infrastructure improvements may include: power line undergrounding and design, curb gutter and sidewalks, street improvements, water and sewer utility improvements, and design, storm water improvements and design and other improvements so designated as general public improvements. Said reimbursed costs may equal up to fifty percent (50%) of the annual URA tax increment revenue generated from the Project up to a total of \$1.5 million over the life of the URA, whichever is less. If approved, said reimbursement will be paid annually via URA tax increment revenues generated by the Project. A repayment plan may be developed at such time as substantial URA tax increment revenues are generated from the Project, at which time total URA tax increment revenues associated with this Project shall be recalculated. Ketchum agrees to cooperate with Owner in coordinating the appropriate formal URA applications and use its best efforts to propose reimbursements for the above defined improvements. URA financing and projects are also subject to applicable Idaho and federal law. Owner hereby acknowledges and agrees that there is no guarantee that URA funding will be available for this Project.

8.2 Timeline B. The Project shall receive the following waivers if a building permit is applied for by December 31, 2013 and construction commences by June 30, 2014. If a building permit is not applied for by December 31, 2013, construction does not commence by June 30, 2014 and the certificate of occupancy for the hotel portion of the Project is not approved by January 2017, these waivers shall not apply.

8.2.1 Community Housing. The community housing requirement of 7,444 square feet or approximately \$2.36 million in-lieu payment is waived in its entirety (based on extension of the Hotel Community Housing Waiver in the Community Core Zoning District).

8.2.2 Employee/Workforce Housing.

- (a) Ketchum will waive fifty percent (50%) of the total employee housing requirement. The remaining fifty percent (50%) of the employee housing fee (\$1.38 million) shall be paid via one of the following options:
 - (i) Construction of employee housing units within the city limits or the Area of City Impact (as defined in the Ketchum Municipal Code), which construction can include concepts of partnership with Ketchum or other entities;
 - (ii) Payment via a real estate transfer fee, with the transfer fees accruing to the Ketchum Housing In Lieu Fund at the time of closing of each unit; or
 - (iii) By another method determined by Owner and approved by Ketchum.

- (b) If the remaining employee housing requirement is to be paid through real estate transfer fees, a minimum of thirty percent (30%) of the total required in-lieu fee shall be paid within one (1) year of issuance of the certificate of occupancy for the hotel portion of the Project. The remaining fee shall be paid at the closing of each residential unit, at the rate of four percent (4%) of the remaining fee per unit closed until paid in full. In the event the foregoing schedule does not result in one hundred percent (100%) of the fees being paid within ten (10) years of the issuance of the certificate of occupancy for the hotel portion of the Project, any remaining balance will be due and payable at the end of such ten (10) year period.

8.2.3 Infrastructure Partnering. Owner will construct and pay for all Project infrastructure requirements including undergrounding of power lines and installation of street improvements. The URA is an agency of Ketchum whose purpose is to encourage and provide financial support to the redevelopment and revitalization of the City. Ketchum agrees to recommend to the URA that the URA reimburse Owner for costs of qualified public infrastructure improvements. Qualified public infrastructure improvements may include: power line undergrounding and design, curb gutter and sidewalks, street improvements, water and sewer utility improvements, and design, storm water improvements and design and other improvements so designated as general public improvements. Said reimbursed costs may equal up to fifty percent (50%) of the annual URA tax increment revenue generated from the Project up to a total of \$1.5 million over the life of the URA, whichever is less. If approved, said reimbursement will be paid annually via URA tax increment revenues generated by the Project. A repayment plan may be developed at such time as substantial URA tax increment revenues are generated from the Project, at which time total URA tax increment revenues associated with this Project shall be recalculated. Ketchum agrees to cooperate with Owner in coordinating the appropriate formal URA applications and use its best efforts to propose reimbursements for the above defined improvements. URA financing and projects are also subject to applicable Idaho and federal law. Owner hereby

acknowledges and agrees that there is no guarantee that URA funding will be available for this Project.

8.3 Timeline C. In the event a building permit is not applied for and construction does not commence as outlined in Timelines A or B, the PUD CUP shall be valid for a period of four (4) years. An application for building permit shall be submitted within four (4) years, unless extended by Council upon written request by Owner prior to the CUP expiration. A written request for extension of the CUP must be received by Ketchum within sixty (60) days of the expiration of the CUP. Waivers to the community housing and employee housing requirements shall not apply under this timeline.

8.3.1 Community Housing. Owner shall fulfill the workforce housing requirement prior to building permit approval for the hotel. Fulfillment of the requirement shall include development of a workforce housing plan to be approved by the City Council prior to building permit approval. The following is a list of several options that may be pursued in developing the workforce housing plan:

- (a) Provide housing via new construction within the City of Ketchum;
- (b) Fulfill the requirement via master leasing of existing units within the City of Ketchum;
- (c) Agree to a real estate transfer fee wherein all fees would be dedicated to the development, construction or maintenance of workforce housing in the City of Ketchum;
- (d) Agree to a revenue-based fee based on the profits derived from the hotel; or
- (e) Develop a workforce housing plan that incorporates several of these options.

In the event that Ketchum does not extend the construction incentives for the Project beyond December 31, 2013, or otherwise waive or modify the requirements Community Housing,

8.3.2 Employee/Workforce Housing. Owner shall be required to provide a detailed Employee Housing Plan, which provides for housing for twenty-three (23) employees on a site acceptable to Council and within Ketchum city limits.

- (a) The Employee Housing Plan shall contain the following elements:
 - (i) Salary/hourly wages (current dollars) for the various income categories of employees;
 - (ii) The expected number of each level of employee that is intended to be served by the employee housing units;

- (iii) Which employee category will be served by which type/size of units;
 - (iv) Information on anticipated rental rates (in current dollars) or subsidized and/or free rent to employees, including whether utilities and homeowner's dues (if any) will be included in the proposed rates;
 - (v) Establishment of maximum occupancy per unit type (i.e. one person per one bedroom unit; two persons per two bedroom units);
 - (vi) Location of units to be within Ketchum city limits;
 - (vii) A matrix on the breakdowns of the different types of units (1 BD; square footage; total number of units; anticipated rent, etc.);
 - (viii) The priority system for occupancy of these units (i.e. first availability to full-time employees, second to seasonal employees, and third to persons that are verified to be working in the City of Ketchum);
 - (ix) What units will be available and how the pool of units available will be determined;
 - (x) What minimum standards will be used to determine employee eligibility to live in the employee housing (i.e. whether full-time status is required and what constitutes full-time status);
 - (xi) How the overflow of demand of units by employees will be handled (i.e. priority system); and
 - (xii) Information on housing families with children and/or married couples.
- (b) The proposed Employee Housing Plan shall meet minimum size thresholds and income categories established by BCHA and/or Ketchum.
- (c) Owner shall submit the following information to Ketchum in connection with the Employee Housing Plan:

- (i) Wage/salary range and a breakdown of the number of employees within each classification (full-time, part-time, seasonal, etc.);
 - (ii) Information on the type of housing provided per employee classification;
 - (iii) Costs incurred in rent (and utilities) and transportation/parking by employees;
 - (iv) Details on anticipated lease terms/rental agreements for employees housed on-site; and
 - (v) Anticipated transportation and parking scenarios for both on-site and commuting employees.
- (d) The Employee Housing Plan shall be submitted and approved by Council as an amendment to this Agreement and shall be recorded prior to issuance of a building permit.
 - (e) All of the required employee housing shall be available prior to the issuance of any certificates of occupancy for the hotel, or any other uses in the hotel.

8.3.2 Infrastructure Partnering. Owner shall contribute a proportionate share to the underground relocation of overhead utility lines as more particularly set forth in Section 10 herein.

2.2 Section 3.9, Property Maintenance is hereby amended by adding the underlined language as follows:

3.9 Property Maintenance. Owner shall take reasonable steps to maintain the Property as may be required pursuant to Ketchum City Code until construction commences, including, but not limited to, landscape maintenance, irrigation and noxious weed control.

3. Construction. This First Amendment and the Agreement constitute one agreement between the Parties. In the event of any inconsistency between this First Amendment and the Agreement, the terms of this First Amendment shall govern. All capitalized terms in the Agreement shall have the meaning in the Agreement when used in this First Amendment, unless otherwise defined herein.

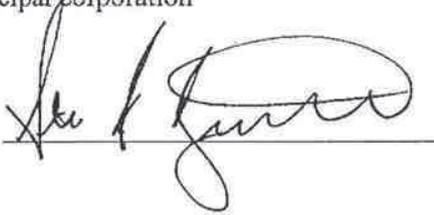
4. Ratification. The Agreement, as amended and supplemented by this First Amendment, is hereby ratified and affirmed.

This First Amendment is executed by the Parties as of the date first above written.

BALD MOUNTAIN LODGE, LLC, a Washington
limited liability Company
City of Ketchum, Idaho,
a municipal corporation

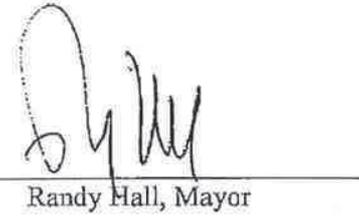
By: CITY OF KETCHUM

By:



A handwritten signature in black ink, appearing to be "Steve [unclear]", written over a horizontal line.

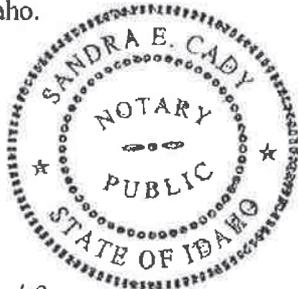
By:



A handwritten signature in black ink, appearing to be "Randy Hall", written over a horizontal line.

STATE OF IDAHO,)
) ss.
County of Blaine)

On this 7th day of November, 2011, before me, a Notary Public in and for said State, personally appeared Randy Hall, Mayor of the City of Ketchum, Idaho, known or identified to me to the person whose name is subscribed to the within instrument as the Mayor of the City of Ketchum, Idaho, and acknowledged to me that he executed the same as Mayor of the City of Ketchum, Idaho.



Sandra E. Cady
Notary Public for Idaho
Residing at Hailey, Idaho
Commission expires 11-20-2013

State of WA)
) ss.
County of King)

On this 7th day of November, 2011, before me, a Notary Public in and for said State, personally appeared Steve Burnstad known or identified to me to be the Manager of Bald Mountain Lodge, LLC, a limited liability company and the managing member of Bald Mountain Lodge, LLC, a limited liability company, the member or one of the members who subscribed said limited liability company name to the foregoing instrument, and acknowledged to me that such limited liability company executed the same in the name of Bald Mountain Lodge, LLC.



Mary Jane D. Slye
Notary Public for King Co, WA
Residing at Bellevue
My Commission expires 7/15/12
Mary Jane D. Slye

**Attachment F:
Original Bald Mountain Lodge Development Agreement,
dated September 17, 2010**

Recording Requested By and
When Recorded Return to:

Planning & Zoning Administrator
City of Ketchum
P.O. Box 2315
Ketchum, Idaho 83340

Instrument # 581098

HAILEY, BLAINE, IDAHO
9-30-2010 11:00:30 No. of Pages: 222
Recorded for : HIGHMARK INVESTMENTS, LLC
JOLYNN DRAGE Fee: 673.00
Ex-Officio Recorder Deputy
Index to: AGREEMENTCORRECTION



**For Recording Purposes
Do Not Write Above This Line**

**BALD MOUNTAIN LODGE
DEVELOPMENT AGREEMENT**

By and Between

CITY OF KETCHUM

And

BALD MOUNTAIN, LLC

BALD MOUNTAIN LODGE DEVELOPMENT AGREEMENT

THIS BALD MOUNTAIN LODGE DEVELOPMENT AGREEMENT (“**Agreement**”), is entered into this 17th day of SEPTEMBER, 2010 (“**Effective Date**”), by and between the CITY OF KETCHUM, IDAHO, a municipal corporation, (“**Ketchum**”) and BALD MOUNTAIN , LLC, a Washington limited liability company authorized to do business in the state of Idaho (“**Owner**”), and together with Ketchum the “**Parties**”.

RECITALS

WHEREAS, Owner owns a parcel of land located at 151 South Main Street, Ketchum, Idaho, and more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (“**the Property**”), currently zoned Community Core (CC);

WHEREAS, on September 23, 2009, Owner filed the following applications (collectively referred to as the “**Original Applications**”) with Ketchum for development of the Property: (1) an application for a Planned Unit Development (“**PUD**”) for the Bald Mountain Lodge Hotel to be developed on the Property; (2) an application for a conditional use permit (“**CUP**”) for the PUD; and (3) an application for Community Core Design Review. This enables Ketchum to review all of the applications affecting the use and development of the Property in an integrated manner consistent with its comprehensive plan, as adopted and in effect on the Application Date, and other applicable ordinances and regulations of Ketchum;

WHEREAS, Owner supplemented the Original Applications on September 30, 2009 with a letter, revised hotel application certification of completeness, additional design drawings, and other addenda, again on October 27, 2009 with an updated height analysis, and again on April 8, 2010 with additional design drawings (referred to as the “**Supplemental Applications**,” and together with the Original Applications, the “**Land Use Applications**”);

WHEREAS, Owner, as the owner of the Property, agrees to submit the Property to a development agreement pursuant to Idaho Code § 67-6511A and Ketchum City Code Section 17.154;

WHEREAS, Ketchum is a municipal corporation having all of the powers and authority granted municipalities under the laws of the state of Idaho, including, without limitation, the authority to contract (Idaho Code § 50-301), to approve planned unit developments (Idaho Code § 67-6515), to approve special use permits (Idaho Code § 67-6512), and to enter into development agreements (Idaho Code § 67-6511A);

WHEREAS, Ketchum, having held all required public hearings and public meetings for consideration of said PUD and this Agreement; approving said PUD and this Agreement;

WHEREAS, Owner has agreed to the use restrictions and other limitations set forth herein and in the PUD Findings, Design Review Findings, and the Findings, defined in Section 1 below for the use and development of the Property;

WHEREAS, Ketchum and Owner enter this Agreement for the purpose of establishing certain rights and obligations of the Parties with regard to the development of the Property, including limitations as to the use, development, design, phasing, construction of necessary improvements (on-site and off-site) and mitigating the impacts directly attributable to the Project.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, Ketchum and Owner hereby mutually covenant and agree as follows:

1. **DEFINITIONS.** Throughout this Agreement, the following terms will be defined as follows:

1.1 “**Application Date**” means September 23, 2009.

1.2 “**Commission**” shall mean the City of Ketchum’s Planning and Zoning Commission.

1.3 “**Council**” shall mean the City Council of the City of Ketchum.

1.4 “**Design Review**” shall mean and include the procedures, criteria and standards established by Ketchum City Code 17.96, as adopted and in effect on the Application Date.

1.5 “**Design Review Findings**” shall mean the findings of fact, conclusions of law and decision approving the Design Review application, adopted by the Commission on the 22nd day of March, 2010. The Design Review Findings are attached hereto as **Exhibit B** and incorporated by reference herein.

1.6 “**Effective Date**” means the date this Agreement is fully executed by the Parties or the date on which the approvals described in the Findings are final, whichever occurs later.

1.7 “**Gross Square Footage**” means gross floor area as defined in the Ketchum Zoning Ordinance.

1.8 “**Ketchum PUD Ordinance**” shall mean Title 16, Chapter 16.08 of the Ketchum City Code, as adopted and in effect on the Application Date.

1.9 “**Ketchum Subdivision Ordinance**” shall mean Title 16, Chapter 16.04 of the Ketchum City Code, as adopted and in effect on the Application Date.

1.10 “**Ketchum Zoning Ordinance**” shall mean Title 17 of the Ketchum City Code, as adopted and in effect on the Application Date.

1.11 “**Ketchum Comprehensive Plan**” shall mean the Comprehensive Plan adopted on March 1, 2001 by Ketchum by Resolution No. 756.

1.12 “**Ketchum**” shall mean the City of Ketchum, Idaho, a municipal corporation, acting

by and through its duly elected City Council, Mayor, and all of its agencies and departments.

1.13 “Land Use Applications” shall mean collectively the PUD Application, the CUP application and the Design Review Application, dated October 8, 2009; and any subsequent applications or amendments in effect as of the date of this Agreement.

1.14 “Owner” shall mean Bald Mountain, LLC, a Washington limited liability company, authorized to business in the State of Idaho, and its successors and assigns.

1.15 “Project” shall mean the development of the Property contemplated by this Agreement and described in the Site Plan.

1.16 “PUD Findings” shall mean the findings of fact, conclusions of law and decision approving the PUD application, adopted by the Council and signed by the Mayor on the 7th day of June, 2010. The PUD Findings are attached hereto as **Exhibit C** and incorporated by reference herein.

1.17 “Site Plan” shall mean the master plan for the Bald Mountain Lodge as depicted on the plans submitted to Ketchum dated April 8, 2010, on file with the Ketchum Community and Economic Development Department.

2. LEGAL AUTHORITY. This Agreement is made pursuant to and in accordance with the provisions of Idaho Code §§ 50-301, 67-6511A, 67-6512, and Ketchum City Code Chapters 16.08, 17.64 010 (I) (6), and 17.154.

3. CONDITIONS ON DEVELOPMENT. The Project shall be completed substantially as presented in the Site Plan and consistent with this Agreement.

3.1 Hotel. The hotel shall operate at industry-acknowledged four-star standards or higher. The hotel shall contain the following components: 82 guest suites, 9 lock-off units, reception and lobby area, full service restaurant and bar, day spa, hotel-related retail space, conference/ballroom facilities, outdoor terrace and swimming pool, activities center and underground parking garage. The conference capacity shall be approximately 250-275 guests, or as allowed by the City of Ketchum Municipal Code. The conference center, day spa, restaurant and bar will be open to the general public as well as hotel guests. The fourth and fifth floors of the hotel will house twenty-six (26) residential condominium units, including the nine (9) lock-off units on the fourth floor.

3.1.1 Compliance with Hotel Definition. In order to meet the hotel definition as outlined in Chapters 17.64 010 (I) (6), and 17.08 of the Ketchum Zoning Code, nine (9) lock-off hotel units shall be provided on the fourth floor or such lesser amount that meets the hotel definition, provided that such lesser amount shall be agreed to by Owner and the Design Review Subcommittee referenced in Section 3.3.7 below. Based on the currently proposed hotel square footage calculations, the lock-off units shall total a 3,538 gross square feet. The PUD Findings made by the City Council with regards to the definition of Hotel are particular to this Project, based on specific facts as outlined in the PUD Findings.

3.1.2 Residential Units. Only residential units may be condominiumized and sold separately. The hotel portion of the Project including the hotel guest rooms shall not be condominiumized.

3.2 Parking. On-site parking will consist of a two-level underground parking garage, which shall have a minimum of 116 stalls, and nine (9) on-street parking spaces. The parking garage will also be available to the general public while using the conference center, day spa, restaurant and bar, subject to availability.

3.3 Design. The Project shall be completed substantially as presented in the plans dated April 8, 2010, and as altered by the PUD Findings, Design Review Findings and this Agreement. Building permit plans must conform to the approved Design Review plans unless otherwise approved in writing by the Commission or the Planning and Zoning Administrator. Any development of any portion of the Property substantially inconsistent with this Agreement or the Design Review Findings that is not approved by the Commission or the Zoning Administrator or without modification of the Design Review Findings, shall constitute a breach of this Agreement by the Owner. All Design Review elements as depicted in the Design Review plans dated September 22, 2009, as amended by the revised plans dated April 8, 2010, and required through the PUD Findings shall be completed prior to final inspection/occupancy. The Design Review Findings shall be valid for a period of four (4) years from the date of recordation of this Agreement pursuant to Chapter 17.154.040 (G), unless extended by Council upon written request by Owner prior to the expiration. A written request for extension of the Design Review Findings must be received by Ketchum within sixty (60) days of the expiration.

3.3.1 Building Type and Bulk. The ceiling heights and marquees along all facades of the building shall be approved by the Design Review Subcommittee as defined in Section 3.3.7 below and meet the standards of a Building Type 6, hotel, except as otherwise approved through the approved waivers outlined in the PUD Findings. Compliance shall be reviewed and approved as set forth in the Design Review Findings. Any signs erected in connection with marquees shall be subject to separate sign permit approval. To reduce the appearance of building bulk, the upper floor steel diagonal columns shall be made vertical, in accordance with the Findings with any non-substantial modifications subject to Design Review Subcommittee approval.

3.3.2 Terrace Walls. Terrace walls along Washington Avenue and River Street shall be constructed as approved by the Design Review Findings.

3.3.3 Rooftop and Marquee Plans. Prior to building permit approval, Owner shall submit a detailed plan illustrating how rooftop mechanical equipment will be screened and how rooftop and marquee snow retention and drainage will be achieved. The snow retention and drainage plan shall be reviewed and approved as set forth in the Design Review Findings by the Design Review Subcommittee.

3.3.4 Marquees. All marquees may extend into the public right of way as described in the Waiver Requests set forth in Table 5 of the Findings as supplemented through Design Review.

3.3.5 Setbacks. The proposed 4th and 5th floor setbacks shall be as described in the Waiver Requests set forth in Item 7, Table 5 of the Findings as supplemented through Design Review.

3.3.6 Zoning Waiver Requests. Ketchum acknowledges the zoning and subdivision waivers set forth in Item 7 Table 5 of the PUD Findings, which are hereby incorporated by reference as though fully set forth in this Agreement.

3.3.7 Design Review Subcommittee. For purposes of Design Review and this Section 3.3.7, a Design Review Subcommittee of the Commission is hereby established and shall have the power and authority to approve, disapprove or conditionally approve the following: (i) those matters delegated to it by the Commission that are not contrary to or inconsistent with the Findings, and (ii) any Owner-requested non-material changes to the Design Review approval(s), or the construction elements required of this Agreement. The Design Review Subcommittee shall consist of three (3) persons, one of whom shall be the current director of the Community and Economic Development Department, one of whom shall be a current or former member of the Commission that approved the original Design Review approval(s), and one of whom is a current member of the Commission as may be appointed by the Mayor and confirmed by the Council in the normal course. The members of the Design Review Subcommittee appointed by the Mayor and approved by the Council shall serve until they are replaced or the Project is completed. In the event that a member of the Design Review Subcommittee is unable or unwilling to serve, the Mayor shall appoint and the Council shall approve a replacement. The vote or written assent of any two members of the Design Review Subcommittee shall constitute action of the Design Review Subcommittee. The Design Review Subcommittee shall periodically report in writing all actions taken by it to the Commission. Any action by the Design Review Subcommittee adverse to the Owner is appealable by the Owner pursuant Chapter 17.144 of the City of Ketchum Zoning Code, entitled "Appeals".

3.4 Deliveries. Delivery vehicles associated with the Project, including the residential portion of the building, shall not interfere with the regular flow of traffic surrounding the building. Delivery vehicles shall not block the regular flow of traffic on First Street and shall not block the sidewalk along First Street.

3.5 Emergency Services. All fire code requirements of the Ketchum Fire Department shall be satisfied as outlined in the PUD Findings and/or Design Review Findings prior to the issuance of a building permit.

3.6 Bike Racks. The final number of bicycle racks required shall be determined by the Design Review Subcommittee and shall meet all requirements of the Ketchum Zoning Code, Chapter 17.64, prior to issuance of a certificate of occupancy. A significant number of such racks shall be installed along Washington Avenue. A detailed bicycle rack plan shall be reviewed and approved by the Design Review Subcommittee prior to building permit approval.

3.7 Utilities. All water, sewer and other utility main lines, service lines, manholes and fire hydrants shall be as depicted in the preliminary civil drawings for the Project, prepared

by Galana Engineering, dated September 30, 2009, and maintained or improved as required by the Ketchum Water and Sewer Department.

3.8 CC&Rs. Owner agrees to record a declaration of covenants, conditions and restrictions (“**CC&Rs**”) and a separate Condominium Declaration (“**Declaration**”) against the Property. Owner shall form a condominium association (“**Association**”) to address allocation of responsibility for maintenance of common areas associated with the condominiums. The Declaration shall include the following provisions:

(a) The Association shall be required to maintain at its expense all of the common area associated with the condominiums.

(b) No person or entity acquiring any portion of the Property shall be permitted to develop, construct, erect, or install any building, utility, improvement or landscaping which does not conform in all respects to this Agreement and the Site Plan.

3.9 Property Maintenance. Owner shall take reasonable steps to maintain the Property as may be required pursuant to Ketchum City Code until construction commences.

4. STREETS, PARKING AND CIRCULATION. Right-of-way encroachments, right turn lane and curb line alignment, slope and drainage, and sidewalk widths shall be in accordance with this Section 4, to be reviewed and approved by the City Engineer, Street Department and Fire Department prior to issuance of a building permit. Prior to issuance of a building permit Owner shall apply for and obtain a right-of-way encroachment permit from Ketchum for all right-of-way encroachments associated with the Project.

4.1 Sidewalks. Snowmelt shall extend to the curb line at entrances and exits of the Project. All sidewalks adjacent to the Project shall be designed according to the approved sidewalk scheme, as follows:

4.1.1 River Street Frontage.

- (a) The bulb-out at River and Main Streets shall be eighteen feet (18’) wide including curb/gutter.
- (b) The sidewalk width shall be ten feet (10’), not including curb/gutter, with angled parking along the length of River Street.
- (c) A bulb-out with exit/entrance at the intersection adjacent to Washington Avenue shall be eighteen feet (18’) wide including curb/gutter.

4.1.2 Main Street Frontage (Based on two, twelve feet wide southbound travel lanes).

- (a) At First Street, the bulb-out shall be sixteen feet (16’) wide

including curb/gutter.

- (b) The bus pull-out shall be eight feet (8') wide including curb/gutter, leaving an eight feet (8') wide sidewalk (subject to Mountain Rides requirements).
- (c) The bulb-out at mid-block shall be sixteen feet (16') wide including curb/gutter.
- (d) The sidewalk/bulb-out from the porte-cochere exit to River Street shall be sixteen feet (16') wide.

4.1.3 First Street Frontage.

- (a) Sidewalks shall be a minimum of ten feet (10') wide.
- (b) No bulb-outs are permitted.
- (c) Parking spaces are required from the loading dock to Washington Avenue (a total of two spaces).

4.1.4 Washington Avenue Frontage. Owner shall present a final design scheme for Washington Avenue to City Council prior to building permit submittal.

4.2 Lighting. All lighting shall comply with the Ketchum Dark Sky Standards, Chapter 17, Ketchum City Code. The use of Ketchum Streetscape Lighting Standards is required. Minimum lighting mitigation measures shall include: recessed, shielded and downward facing light fixtures.

4.3 Streets and Bridges Assurances. Owner shall enter into a Road Security Agreement with Ketchum establishing when Owner will be required to deposit funds, a letter of credit, bond, a set-aside letter, or other form of financial assurance acceptable to Ketchum, in an amount to be established to mitigate all material impacts to roads in Ketchum caused by construction traffic during the Project build-out. The Road Security Agreement shall reflect the City Engineer's methodology for determining the material damage to Ketchum's roads including reasonable evidence that would be used to determine the damage caused by construction traffic and the estimated cost of repair. Owner's engineer shall meet and confer with Ketchum's engineer to determine the required mitigation and associated cost based on the methodology. In the event that the engineers are unable to agree, they shall select a third engineer who shall determine the final cost, which shall be binding on the Parties. Prior to commencement of construction, Owner may choose to document current road conditions. Such documentation will be provided to the City Engineer and shall be utilized along with any other relevant documentation from Ketchum to determine if damage was caused by construction traffic as opposed to normal non-construction traffic.

4.4 Parking. Owner shall provide parking as set forth in Section 3.2 herein.

4.5 Washington Avenue. Owner shall make improvements to Washington Avenue between First Street and River Street pursuant to the final design scheme referenced in Section 4.1.4 herein. This section of Washington Avenue shall be designed to serve events and functions taking place at both Bald Mountain Lodge and the Forest Service Park.

4.6 Traffic Impact Analysis and Mitigation. The recommendations of the City Engineer and of Ryan Hales of Hales Engineering with regard to traffic circulation in and out of the porte-cochere shall be followed. These recommendations are outlined in the memo from Hales Engineering entitled “Ketchum-Bald Mountain Lodge TIA/1st Street Review” dated April 14, 2010, attached hereto as **Exhibit D** and incorporated herein by this reference.

4.7 Ketchum Gateway (Main Street/River Street Intersection). Owner shall plant street trees along Main Street consistent with the approved landscape drawings submitted during the Land Use Application Process. Owner agrees to participate financially and to work with Ketchum’s Community and Economic Development staff and other entities to design the intersection of Main Street and River Street, including public/pedestrian amenities. Owner shall be responsible for the construction costs of one (1) of the four (4) corners of said intersection.

5. INFRASTRUCTURE IMPROVEMENTS. Owner shall engineer, construct, and otherwise provide, at its sole expense, improvements, facilities and services (public and private) as provided in the PUD Findings and this Agreement.

5.1 Water and Sewer Service. Owner requests water and sewer service from Ketchum to the Property and Ketchum hereby agrees to provide such water and sewer service at the same fees as charged to equivalent users of Ketchum.

5.2 Utilities and Warranty. All utilities, including water, sewer, gas, cable, phone and electric shall be installed underground within the street rights-of-way. This includes on site and off site utilities: no new above-ground utility lines are permitted. Detailed engineered construction drawings and specifications for construction of such improvements shall be prepared by Owner and approved by Ketchum prior to construction. Prior to acceptance of any such improvements to be dedicated to Ketchum, Ketchum shall inspect and approve same and Owner shall provide Ketchum with “as built” drawings thereof. Owner hereby warrants that to the best of its knowledge the “as built drawings” are substantially correct and Owner shall, for a period of one (1) year from Ketchum’s receipt of said drawings, be liable and hold Ketchum harmless for any damage which may result from material errors in said drawings after acceptance by Ketchum of said utilities unless such damage is caused directly or indirectly by the acts or omissions of Ketchum, or its agents or contractors.

5.3 Transfer of Warranties. Owner agrees to assign any warranties accruing to it and arising out of construction of the improvements described in this Section remaining in effect at the time such improvements are transferred and/or dedicated to Ketchum, subject to all applicable state and federal laws.

6. GREEN BUILDING PRACTICES. The Project shall, at a minimum, meet the

requirements of and receive LEED “Certified” Certification as outlined by the United States Green Building Council’s Leadership in Energy and Environmental Design (“LEED”) Program. In addition, the Project shall meet or exceed the minimum requirements set forth in the currently adopted version of the International Energy Conservation Code (“IECC”).

7. **LOCAL OPTION TAXES.** The Project shall be subject to the provisions of Ketchum Municipal Code Chapter 3.12, relating to local option taxes (“LOT”), as follows:

7.1 **Housing Unit Rentals.** As of the Effective Date, Ketchum Municipal Code Section 3.12.030(B) imposes an additional one percent (1%) hotel-motel room occupancy sales tax on receipts from all short term (30 days or less) rental charges for hotel rooms, motel rooms, condominium units, tourist homes and the like. So long as the Ordinance is in effect, the owner of the hotel resort, as to completed hotel units only, and each condominium unit owner, as to his or her condominium unit(s) only, shall comply with the subject tax. Nothing herein shall be deemed or construed to require the owner of a housing unit within the Project to pay any local option tax to occupy their own unit. Further, the obligation to pay local option tax shall not apply to the rental of workforce housing units. Nothing herein creates an independent tax obligation to the Owner unless the Owner is also the owner of the hotel resort, or the owner of one or more of the condominium units at the resort at the time the tax accrues.

7.2 **Building Materials.** As of the Effective Date, Ketchum Municipal Code Section 3.12.030(A) imposes a one percent (1%) sales tax upon each sale at retail within the City of Ketchum. So long as the Ordinance is in effect, Owner shall comply with the subject tax.

7.3 **Amendments to LOT Ordinance.** Any amendments to or repeal of Ketchum’s Local Option Tax Ordinance and/or Idaho law relating to such local option taxes shall also apply to and modify this Section 7 to the extent of such amendment(s) and/or repeal.

8. **CONSTRUCTION TIMELINE AND INCENTIVES.** Owner acknowledges Ketchum’s desire for a construction commencement date at the earliest possible time. Ketchum, having exercised its discretion in approving this Agreement, the PUD Findings and Design Review Findings, shall act reasonably and in good faith when processing the approval or issuance of such applications, permits, plans, specifications, plats, and/or entitlements for the Project as may be necessary or prudent in order to implement the Project, and consistent with the Ketchum City Code and applicable State and/or federal laws, so that Owner will have the benefit of the incentives provided Section 8.1, 8.2 and 8.3 below. In regards to the obligations in this Section 8, time is of the essence. In consideration of Owner’s option to commence construction as early as 2011, Ketchum agrees to the following construction incentives:

8.1 **Timeline A.** The Project shall receive the following waivers if a building permit is applied for by December 31, 2011 and construction commences by June 30, 2012. If a building permit is not applied for by December 31, 2011, construction does not commence in June 30, 2012 and the certificate of occupancy for the hotel portion of the Project is not approved by January 30 2015, these waivers shall not apply.

8.1.1 **Community Housing.** The community housing requirement of 7,444

square feet or approximately \$2.36 million in-lieu payment is waived in its entirety (based on extension of the Hotel Community Housing Waiver in the Community Core Zoning District).

8.1.2 Employee/Workforce Housing. The employee housing requirement is waived in its entirety.

8.1.3 Infrastructure Partnering. Owner will construct and pay for all Project infrastructure requirements including undergrounding of power lines and installation of street improvements. The Urban Renewal Agency (“URA”) is an agency of Ketchum whose purpose is to encourage and provide financial support to the redevelopment and revitalization of Ketchum. Ketchum agrees to recommend to that URA that the URA reimburse Owner for costs of qualified public infrastructure improvements. Qualified public infrastructure improvements may include: power line undergrounding and design, curb gutter and sidewalks, street improvements, water and sewer utility improvements, and design, storm water improvements and design and other improvements so designated as general public improvements. Said reimbursed costs may equal up to fifty percent (50%) of the annual URA tax increment revenue generated from the Project up to a total of \$1.5 million over the life of the URA, whichever is less. If approved, said reimbursement will be paid annually via URA tax increment revenues generated by the Project. A repayment plan may be developed at such time as substantial URA tax increment revenues are generated from the Project, at which time total URA tax increment revenues associated with this Project shall be recalculated. Ketchum agrees to cooperate with Owner in coordinating the appropriate formal URA applications and use its best efforts to propose reimbursements for the above defined improvements. URA financing and projects are also subject to applicable Idaho and federal law. Owner hereby acknowledges and agrees that there is no guarantee that URA funding will be available for this Project.

8.2 Timeline B. The Project shall receive the following waivers if a building permit is applied for by December 31, 2012 and construction commences by December 31, 2013. If a building permit is not applied for by December 31, 2012, construction does not commence by December 31, 2013 and the certificate of occupancy for the hotel portion of the Project is not approved by January 2016, these waivers shall not apply.

8.2.1 Community Housing. The community housing requirement of 7,444 square feet or approximately \$2.36 million in-lieu payment is waived in its entirety (based on extension of the Hotel Community Housing Waiver in the Community Core Zoning District).

8.2.2 Employee/Workforce Housing.

- (a) Ketchum will waive fifty percent (50%) of the total employee housing requirement. The remaining fifty percent (50%) of the employee housing fee (\$1.38 million) shall be paid via one of the following options:
 - (i) Construction of employee housing units within the city limits or the Area of City Impact (as defined in the Ketchum Municipal Code), which construction can include concepts of

partnership with Ketchum or other entities;

- (ii) Payment via a real estate transfer fee, with the transfer fees accruing to the Ketchum Housing In Lieu Fund at the time of closing of each unit; or
 - (iii) By another method determined by Owner and approved by Ketchum.
- (b) If the remaining employee housing requirement is to be paid through real estate transfer fees, a minimum of thirty percent (30%) of the total required in-lieu fee shall be paid within one (1) year of issuance of the certificate of occupancy for the hotel portion of the Project. The remaining fee shall be paid at the closing of each residential unit, at the rate of four percent (4%) of the remaining fee per unit closed until paid in full. In the event the foregoing schedule does not result in one hundred percent (100%) of the fees being paid within ten (10) years of the issuance of the certificate of occupancy for the hotel portion of the Project, any remaining balance will be due and payable at the end of such ten (10) year period.

8.2.3 Infrastructure Partnering. Owner will construct and pay for all Project infrastructure requirements including undergrounding of power lines and installation of street improvements. The URA is an agency of Ketchum whose purpose is to encourage and provide financial support to the redevelopment and revitalization of the City. Ketchum agrees to recommend to the URA that the URA reimburse Owner for costs of qualified public infrastructure improvements. Qualified public infrastructure improvements may include: power line undergrounding and design, curb gutter and sidewalks, street improvements, water and sewer utility improvements, and design, storm water improvements and design and other improvements so designated as general public improvements. Said reimbursed costs may equal up to fifty percent (50%) of the annual URA tax increment revenue generated from the Project up to a total of \$1.5 million over the life of the URA, whichever is less. If approved, said reimbursement will be paid annually via URA tax increment revenues generated by the Project. A repayment plan may be developed at such time as substantial URA tax increment revenues are generated from the Project, at which time total URA tax increment revenues associated with this Project shall be recalculated. Ketchum agrees to cooperate with Owner in coordinating the appropriate formal URA applications and use its best efforts to propose reimbursements for the above defined improvements. URA financing and projects are also subject to applicable Idaho and federal law. Owner hereby acknowledges and agrees that there is no guarantee that URA funding will be available for this Project.

8.3 Timeline C. In the event a building permit is not applied for and construction does not commence as outlined in Timelines A or B, the PUD CUP shall be valid for a period of four (4) years. An application for building permit shall be submitted within four (4) years, unless extended by Council upon written request by Owner prior to the CUP expiration. A written request for extension of the CUP must be received by Ketchum within sixty (60) days of the expiration of the

CUP. Waivers to the community housing and employee housing requirements shall not apply under this timeline.

8.3.1 Community Housing. Owner shall fulfill the workforce housing requirement prior to building permit approval for the hotel. Fulfillment of the requirement shall include development of a workforce housing plan to be approved by the City Council prior to building permit approval. The following is a list of several options that may be pursued in developing the workforce housing plan:

- (a) Provide housing via new construction within the City of Ketchum;
- (b) Fulfill the requirement via master leasing of existing units within the City of Ketchum;
- (c) Agree to a real estate transfer fee wherein all fees would be dedicated to the development, construction or maintenance of workforce housing in the City of Ketchum;
- (d) Agree to a revenue-based fee based on the profits derived from the hotel; or
- (e) Develop a workforce housing plan that incorporates several of these options.

In the event that Ketchum does not extend the construction incentives for the Project beyond December 31, 2013, or otherwise waive or modify the requirements Community Housing,

8.3.2 Employee/Workforce Housing. Owner shall be required to provide a detailed Employee Housing Plan, which provides for housing for twenty-three (23) employees on a site acceptable to Council and within Ketchum city limits.

- (a) The Employee Housing Plan shall contain the following elements:
 - (i) Salary/hourly wages (current dollars) for the various income categories of employees;
 - (ii) The expected number of each level of employee that is intended to be served by the employee housing units;
 - (iii) Which employee category will be served by which type/size of units;
 - (iv) Information on anticipated rental rates (in current dollars) or subsidized and/or free rent to employees, including whether utilities and homeowner's dues (if any) will be included in the proposed rates;

- (v) Establishment of maximum occupancy per unit type (i.e. one person per one bedroom unit; two persons per two bedroom units);
 - (vi) Location of units to be within Ketchum city limits;
 - (vii) A matrix on the breakdowns of the different types of units (1 BD; square footage; total number of units; anticipated rent, etc.);
 - (viii) The priority system for occupancy of these units (i.e. first availability to full-time employees, second to seasonal employees, and third to persons that are verified to be working in the City of Ketchum);
 - (ix) What units will be available and how the pool of units available will be determined;
 - (x) What minimum standards will be used to determine employee eligibility to live in the employee housing (i.e. whether full-time status is required and what constitutes full-time status);
 - (xi) How the overflow of demand of units by employees will be handled (i.e. priority system); and
 - (xii) Information on housing families with children and/or married couples.
- (b) The proposed Employee Housing Plan shall meet minimum size thresholds and income categories established by BCHA and/or Ketchum.
- (c) Owner shall submit the following information to Ketchum in connection with the Employee Housing Plan:
- (i) Wage/salary range and a breakdown of the number of employees within each classification (full-time, part-time, seasonal, etc.);
 - (ii) Information on the type of housing provided per employee classification;
 - (iii) Costs incurred in rent (and utilities) and transportation/parking by employees;

- (iv) Details on anticipated lease terms/rental agreements for employees housed on-site; and
 - (v) Anticipated transportation and parking scenarios for both on-site and commuting employees.
- (d) The Employee Housing Plan shall be submitted and approved by Council as an amendment to this Agreement and shall be recorded prior to issuance of a building permit.
 - (e) All of the required employee housing shall be available prior to the issuance of any certificates of occupancy for the hotel, or any other uses in the hotel.

8.3.2 Infrastructure Partnering. Owner shall contribute a proportionate share to the underground relocation of overhead utility lines as more particularly set forth in Section 10 herein.

9. CONSTRUCTION STAGING AND MITIGATION. A detailed Construction Staging and Mitigation plan, including at a minimum provisions for off-site employee parking, off-site storage of bulk materials, and required right-of-way encroachments during construction, shall be submitted and approved by the Ketchum Building Department prior to building permit approval. Owner is encouraged to use local contractors wherever possible.

10. ELECTRIC POWER. Owner acknowledges the Franchise Agreement between Ketchum and Idaho Power Company prohibits above ground installation of new electric transmission lines. Owner shall pay its proportionate share for underground relocation of overhead utility lines based on the frontage of the subject property along River Street. Said contribution shall be utilized by Ketchum solely for the relocation of power lines from overhead to underground for the Project. Ketchum and Owner agree that other businesses and property owners, as well as the general public will benefit from the above. In regards to such underground relocation, Ketchum and Owner shall, in good faith, attempt to negotiate an agreement to the effect that the portion of the costs in connection with such development of the electric power lines benefitting properties other than the Property shall be paid by the following, in order of preference: (1) the franchise agreement fund; (2) a local improvement district (“LID”) formed by Ketchum for that purpose; (3) by URA funds; (4) Ketchum general funds; and (5) reimbursement to Owner from the service connection charges collected from such other benefited property owners who otherwise have not paid or contributed their proportionate share toward upgrading and undergrounding the electric power lines. In all instances, the Agreement referred to in this Section shall be made in accordance with local and State law. In the event Ketchum and Idaho Power do not complete undergrounding of electric power lines as a city project, Owner may relocate the power lines directly adjacent to the Project as an off-site improvement.

11. FINANCIAL ASSURANCE AND ASSISTANCE.

11.1 Hold Harmless. Owner is responsible for all costs associated with the construction and maintenance of the Project as approved in the Findings and described herein, and hereby holds Ketchum harmless for any financial obligations related thereto.

11.2 Performance, Payment and Reclamation Bonds. Upon issuance of the building permit for the Project, Owner shall provide financial assurances to Ketchum, in the form of letter(s) of credit, bonds or other similar instrument to demonstrate to Ketchum Owner's ability to complete the permitted construction.

11.3 Public Funding Opportunities. Ketchum agrees to reasonably cooperate with Owner in exploring public funding opportunities for financial assistance with any of Owner's obligations under this Agreement.

11.4 Lender Letter of Assurance. Owner agrees to provide a "comfort letter" from its proposed Project Lender(s) prior to execution of this Agreement. Such letter should memorialize any existing relationship between Owner and Lender(s), and the Lender(s)' interest in financing the Project subject to market conditions and Lender(s)' internal credit underwriting policies.

11.5 Right of Entry. Owner hereby grants Ketchum a license to enter upon the Property, during business hours and upon reasonable advance written notice, with Owner or Owner's representatives having the right to be present during such times, to (a) inspect the same, (b) determine if Owner is complying with this Agreement, and (c) to undertake the cure of any default of Owner; provided, however, all such cures shall be performed as promptly as possible and so as to cause the least interference to guests, invitees and other occupants of property in the Project. Ketchum agrees to indemnify, defend and hold harmless Owner from any and all liability, claims, damages, expenses, judgments, proceedings and causes of action of any kind whatsoever, arising out of Ketchum's exercise of the license granted herein, including injuries to Ketchum employees, or Ketchum's agents or representatives while on the Property.

12. AGREEMENT TO COOPERATE; JOINT DEFENSE AND CONFLICT WAIVER. The Parties agree at all times to cooperate and exercise good faith to achieve the purposes of this Agreement. In the event any legal or equitable action or other proceeding is instituted by a third-party or other governmental entity or official challenging the validity of any provision of Ketchum's approval and/or implementation of the PUD Findings, the Design Review Findings or this Agreement, the Parties hereby agree to cooperate in defending such action or proceeding. Ketchum and Owner may agree to select mutually agreeable legal counsel to defend such action or proceeding with the parties sharing equally in the cost of such joint counsel, or each party may select its own legal counsel at each party's expense. All other costs of such defense(s) shall be shared equally by the parties. Each party shall retain the right to pursue its own independent legal defense.

13. SALE OR TRANSFER OF THE PROPERTY.

13.1 This Agreement shall run with the land comprising the Property, and shall be binding upon and benefit Owner, its assigns, and any successor in interest to any portion of the Property, as provided in this Agreement. All duties, rights, covenants and obligations of Owner

under this Agreement, are freely assignable in whole or part, at Owner's discretion to a third party or parties, who either invest in all or part of the Project by purchase of a majority or minority interest in the Owner's company or by joint venture or other type of arrangements, or by purchase the Property in fee title. In the event that Owner or a successor in interest to Owner, sells or transfers the Property, or any portion thereof, written notice of said transaction shall be given to Ketchum no less than thirty (30) days prior to closing.

13.2 The purchasers of condominium units therein for which final occupancy permits have been issued by Ketchum shall be subject to those portions of this Development Agreement regarding the CCRs, transfer fees, adherence with building standards and Ketchum City Code requirements regarding their use of their property. Owner agrees for itself, its successors and assigns that the CC&Rs recorded for the Project shall contain the covenants set forth in Section 3.8 herein, to be observed by Owner, its successors and assigns. The CC&Rs relating to the continuing obligation of all subsequent purchasers of any interest in the Property to abide by the requirements of Ketchum approvals therefore cannot be amended absent Council's prior written approval. Upon conveyance of a condominium unit to a third party, except as otherwise provided in this Agreement, the lien and encumbrance of this Agreement shall be automatically released from said unit.

14. AMENDMENT OF AGREEMENT AND CHANGES TO DEVELOPMENT PLAN.

This Agreement shall be amended or terminated, in whole or in part, only by the mutual consent of the Parties, executed in writing after proper notice and public hearing before the Council. Ketchum agrees that Owner has the right to undertake and complete the development of the Property in the manner and to the extent set forth and pursuant to this Agreement, the PUD Findings, the Design Review Findings, and all approvals by Ketchum as referenced in this Agreement, including, without limitation, the Site Plan, the Conditional Use Permit, and the approved Land Use Applications (collectively, the "Approvals").

15. DEFAULT AND ENFORCEMENT. In the event either party, their respective heirs, successors, assigns or any other person acquiring an interest in the Property, fails to faithfully comply with all of the terms and conditions included herein resulting in a material violation of this Agreement or the PUD Conditional Use Permit, the PUD Findings, the Design Review Findings, or any material violation of any condition thereof, and following the cure period provided in Section 15.4 below, the same shall constitute an "Event of Default" entitling the non-defaulting party to all legal and equitable remedies available, as described in Section 15.3 below.

15.1 Events of Default. A petition filed by Owner under any bankruptcy, reorganization, arrangement, insolvency, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, that is not dismissed within ninety (90) days after such filing (a "**Bankruptcy Filing**") shall also constitute an Event of Default of this Agreement and shall entitle Ketchum to seek all available legal and equitable remedies as described in Section 15.3 below. Notwithstanding the foregoing, however, or any contrary provision herein, Ketchum shall not have the right to place a moratorium as described in Section 15.3 below on the basis of a Bankruptcy Filing alone without the existence of an Event of Default as described in the first paragraph of this Section 16 above.

15.2 Waiver. A waiver by a party of any default by the other party of any one or more of the covenants or conditions hereof shall apply solely to the breach or breaches so waived and shall

not bar any other rights or remedies or apply to any subsequent breach of any such or other covenants and conditions.

15.3 Remedies and Specific Performance. In the event of a material violation of this Agreement or the PUD Conditional Use Permit, or any material violation of any condition thereof, or the PUD Findings or Design Review Findings, the Parties shall have the right, without prejudice, to specific performance, or any other rights or remedies available under the Ketchum City Code or Idaho law, including but not limited to the right to demand the non-defaulting party to cure such default or enjoin violation and otherwise enforce the requirements contained in this Agreement. Ketchum shall also have the right to place a moratorium on further approvals under the PUD Conditional Use Permit issued pursuant to this Agreement and the PUD Findings in the event of and during the continuance of an Event of Default which is not cured, by motion of the Council after notice and an opportunity to cure, followed by a due process hearing upon at least sixty (60) days written notice to Owner.

15.4 Right to Cure. In the event of a material breach of this Agreement or a material breach of the Findings, the Parties agree that Ketchum and Owner shall have sixty (60) days after delivery of notice of said breach to cure and correct the same prior to the non-breaching party seeking any remedy provided for herein; provided, however, in the event that the default or breach cannot with diligence be cured within such 60-day period, if the defaulting party shall commence to cure the same within such 60-day period, and thereafter prosecute the cure of same with diligence, then the time within which such breach may be cured shall be extended for such period as necessary to complete the cure.

16. NO PRECEDENT. The issuance of this PUD, Development Agreement and Conditional Use Permit shall not be considered a binding precedent for the issuance of other conditional use permits. This permit is not transferable from one parcel of land to another.

17. POLICE POWERS. Nothing contained herein is intended to limit the police powers of Ketchum or its discretion in reviewing subsequent applications regarding development and construction of the Property. This Agreement shall not be construed to modify or waive any law, ordinance, rule, or regulation, including without limitation, applicable building codes, fire codes, zoning ordinances, subdivision ordinances, or comprehensive plan provisions, unless expressly provided herein.

18. TIMELINES. Time and timely performance are of the essence of this Agreement.

19. RELATIONSHIP OF PARTIES. It is understood the contractual relationship between Ketchum and Owner is such that Owner is not the agent, partner, or joint venturer of Ketchum.

20. FORCE MAJEURE. If either party hereto is delayed in the performance of any of its obligations hereunder because of inclement weather; material shortages; labor shortages; unavailability of gas, electric or other utilities through no fault of Owner; dispute or strike; civil strife; acts beyond the control of the delayed party including, , acts of God; and actions by the United States of America or the State of Idaho, or Ketchum or any of their agencies, the time of performance for completion of such amenity or improvement shall be extended for the same time as

lost by the cause hereinabove set forth.

21. **ATTORNEY FEES AND COSTS.** If legal action by either party is brought because of breach of this Agreement or to enforce a provision of this Agreement, the prevailing party is entitled to reasonable attorney fees and costs incurred with regard to such action including, without limitation, any appeals.

22. **NOTICES.** All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid. Notices required to be given to Ketchum shall be addressed as follows:

City of Ketchum
P.O. Box 2315
Ketchum, Idaho 83340

Notices required to be given to Owner shall be addressed as follows:

Bald Mountain, LLC
c/o Michael Kerby, CEO
HighMark Investments, LLC
3450 S. 344th Way, Suite 115
Federal Way, WA 98001
c/o James D. Garrison
11980 N.E. 24th St., Suite 200
Bellevue, WA 98005

With a copy to:

James D. Garrison, Consultant
11980 N.E. 24th St., Suite 200
Bellevue, WA 98005

Carney Badley Spellman, P.S.
Attention: David W. Bever, Esq.
701 Fifth Avenue
Seattle Washington, 98104-7010

A party may change the address by giving notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

23. **NO WAIVER.** In the event Ketchum or Owner do not strictly comply with any of their obligations or duties herein, thereby causing a default of this Agreement, or any forbearance of any kind that may be granted or allowed by Ketchum or Owner to the other under this Agreement shall not in any manner nor in any way be deemed or construed or considered as waiving or surrendering any of the conditions or covenants of this Agreement or any subsequent default.

24. **RECORDATION.** This Agreement, including subsequent amendments thereto, shall be recorded in the Office of the Blaine County Recorder, Hailey, Idaho.

25. **PARTIAL INVALIDITY.** In the event any portion of this Agreement or part thereof shall be determined by any court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions hereunder, or parts thereof, shall remain in full force and effect.

26. **ENTIRE AGREEMENT.** This Agreement constitutes the full and complete Agreement of and between the parties hereto. No representations or warranties made by the Parties, or their officers, employees or agents shall be binding unless contained in this Agreement or subsequent written amendments thereto.

27. **NO PRESUMPTION.** No presumption shall exist in favor or against any party to this Agreement as a result of the drafting and preparation of this Agreement.

28. **NO THIRD PARTY BENEFICIARIES.** Nothing contained herein shall be deemed or construed to create any third party beneficiaries or third party rights.

29. **RULES OF CONSTRUCTION.** The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory, "may" is permissive. The captions to paragraphs of this Agreement are for convenience only and shall not be deemed to enlarge, diminish, explain or in any manner affect the meaning of such paragraphs. Where there is a conflict between the terms of the PUD Findings or Design Review Findings and this Agreement, including any amendments thereto, the terms of this Agreement shall control, followed by the PUD Findings, the Design Review Findings, and any subsequently adopted findings.

30. **CHOICE OF LAWS.** This Agreement shall be construed in accordance with the laws of the state of Idaho in effect at the time of the execution of this Agreement.

31. **EXHIBITS.** Attached to this Agreement and made a part of this Agreement by reference are the following Exhibits:

- A – Legal Description
- B – Design Review Findings
- C – PUD Findings
- D – Traffic Impact Analysis

33. **RECITALS INCORPORATED.** The recitals set forth in this Agreement are hereby incorporated herein by reference.

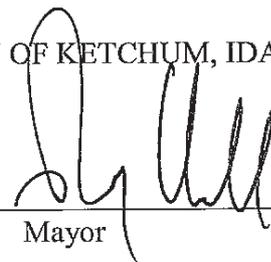
34. **AUTHORITY TO EXECUTE.** Each of the persons executing this Agreement represent and warrant that he has the lawful authority and authorization from their respective entities to execute this Agreement, as well as all applications, plats and other documents required hereunder for and on behalf of the entity executing this Agreement.

35. **RELIANCE BY KETCHUM.** This Agreement is intended by Owner to be considered by Ketchum as part of the Land Use Applications. Owner acknowledges and intends for Ketchum to consider and rely upon this Agreement in Ketchum's review and consideration of said Land Use Applications.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in accordance with the laws of the state of Idaho, the date and year first written above.

BALD MOUNTAIN, LLC, a Washington limited liability company

By: 
Name: MICHAEL KERBY
Title: MEMBER

CITY OF KETCHUM, IDAHO
By: 
Mayor

STATE OF WASHINGTON,)
County of KING) ss.

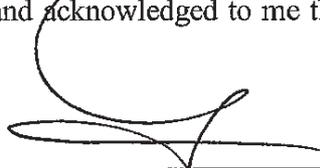
On this 17th day of SEPTEMBER, 2010, before me, a Notary Public in and for said State, personally appeared MICHAEL W. KERBY, known or identified to me to be a Managing Member of BALD MOUNTAIN LLC, the limited liability company that executed the within instrument or the person who executed the instrument on behalf of said limited liability company and acknowledged to me that such limited liability company executed the same.



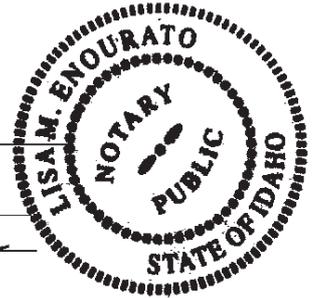
Patricia J. Nelson
NOTARY PUBLIC for IDAHO WA
Residing at PRYALLUP, WA
Commission expires 6/19/2014

STATE OF IDAHO,)
) ss.
County of Blaine)

On this 10th day of September, 2010, before me, a Notary Public in and for said State, personally appeared Randy Hawk, Mayor of the City of Ketchum, Idaho, known or identified to me to be the person whose name is subscribed to the within instrument as the Mayor of the City of Ketchum, Idaho, and acknowledged to me that he executed the same as Mayor of the City of Ketchum, Idaho.



NOTARY PUBLIC for IDAHO
Residing at Harvey, Id
Commission expires 4/16/12



**Attachment G:
City Council PUD Findings of Fact
Signed June 7, 2010**

FINDINGS AND RECOMMENDATIONS
BALD MOUNTAIN LODGE PLANNED UNIT DEVELOPMENT
KETCHUM CITY COUNCIL PUBLIC HEARINGS OF
APRIL 8, 2010; APRIL 9, 2010; APRIL 19, 2010;
MAY 4, 2010 AND MAY 17, 2010

GENERAL INFORMATION

PROJECT: Bald Mountain Lodge
FILE NUMBER: 07-015
OWNER: Bald Mountain Lodge LLC, verified with Assessor June 10, 2009
Michael Kerby, Managing Member
Jim Garrison, Project Manager
Architect: Gary Wakatsuki, Callison Architecture
Operator: Tim Estes, Rock Resorts International, LLC
REQUEST: Conditional Use Permit for a Planned Unit Development (PUD)
LOCATION: Amended Lot 1A, Block 20 (151 South Main Street)
ZONING: Community Core (CC)
REVIEWER: Mark Goodman, Associate Planner
Lisa Horowitz, Community and Economic Development Director
Lisa Enourato, Planning Technician
NOTE: Staff comments are in lighter type.

NOTICE:

- All property owners within 600 feet of subject property were mailed by Wednesday, March 17, 2010, a notice of the public hearing to be held on April 8 and 9, 2010;
 - The public hearing notice was advertised in Idaho Mountain Express on Wednesday, March 24, 2010;
 - Two display ads were published over two consecutive weeks prior to the hearing, and
 - The public hearing notice was posted on the subject property on Thursday, April 1, 2010.
-

ATTACHMENTS AT THE APRIL-MAY, 2010 PUBLIC HEARINGS:

Attachment 1 - Department Head and Agency comments
Attachment 2 – Application Submittal (includes PUD application and cover letters)
Attachment 3 – Waiver Request Letter from Applicant
Attachment 4 - Traffic Impact Analysis
Attachment 5 - Comprehensive Plan Analysis
Attachment 6 - Staff Analysis of Gateway Area Mass & Scale Study
Attachment 7 – Downtown MP Analysis
Attachment 8 – Permitted and Conditional Uses in the CC and T Zoning Districts
Attachment 9 – Public Comment

Applicant Submittal dated April 8, 2010 and includes the following (Note that sidewalk design will be updated as part of design review and PUD conditions):

Civil

Topographic Survey dated 12/12/06

Bald Mountain Lodge Large Block Plat dated October 2006

C1 – Preliminary civil plan (will be updated based on final sidewalk design)

C2 – Civil details

Building Plans

- 1) Project Goals
- 2) Aerial View
- 3) Vicinity Map and Area Summary
- 4) Early Site Concept
- 5) Site Plan
- 6) Parking Level P2 – Plan
- 7) Parking Level P1 – Plan
- 8) Ground Level Plan
- 9) Level 2 – Hotel
- 10) Level 3 – Hotel
- 11) Level 4 Plan – Residential
- 12) Level 5 Plan – Residential
- 13) Roof Plan
- 14) Revised Snowmelt Plan
- 15) Signage Plan
- 16) Landscape Plan
- 17) Site Lighting Plan
- 18) Plant Materials
- 19) Site Furnishings
- 20) Shadow Analysis
- 21) Building Sections
- 22) Material Board
- 23) Building Elevations – Main Street
- 24) Building Elevations – River Street
- 25) Building Elevations – Washington Avenue
- 26) Building Elevations – First Street
- 27) Building Elevations with Proposed Exterior Lighting
- 28) Building Elevations with Proposed Exterior Lighting
- 29) Site Aerial
- 30) View of BML from Hwy 75
- 31) Approach from South Main Street
- 32) Main Street Looking North
- 33) Main Street Looking South
- 34) First Street Looking East
- 35) Washington Ave Looking South
- 36) Washington Ave Courtyard
- 37) River Street Looking West
- 38) River and Washington Aerial View
- 39) First and River Aerial
- 40) Materials – Exterior
- 41) Materials – Tower
- 42) Materials – Porte Cochere
- 43) Materials – Arrival/Lobby Interior
- 44) Materials – Balconies
- 45) River and Washington Aerial View

Bald Mountain Lodge PUD

CC Findings of Fact

June 7, 2010

Page 2 of 38

SUPPLEMENTAL MATERIALS TO PUD FINDINGS AND RECOMMENDATIONS:

- a) Area Summary provided at April 8, 2010 Public Hearing (Gross Square Footages and Lock-Off Options)
- b) Traffic Impact Analysis by Galena Engineering, dated April 2008
- c) Height analysis dated 10/27/09

SUMMARY

COMP PLAN LAND USE DESIGNATION:

Current: Community Core
Proposed: No change proposed.

ZONING: Community Core

LOT SIZE: 48,351 sf

PROJECT TOTAL SQUARE FOOTAGE: 231,400 sf (including sub-grade garage)

OVERLAY: None

NOTE: Staff comments are in lighter type.

BACKGROUND

1. PLANNED UNIT DEVELOPMENT BACKGROUND:

The Commission and Council reviewed the seventeen evaluation standards found in the City's Planned Unit Development (PUD) Ordinance, Chapter 16.08.080, Ketchum Subdivision Ordinance. The Planning and Zoning Commission is recommending to the City Council for PUD's. The PUD Ordinance permits the following:

"Modification or waiver from certain standard zoning and subdivision requirements may be permitted subject to such conditions, limitations and/or additional development standards pursuant to Section 13 of this Ordinance as the City Council may prescribe to mitigate adverse impact of the proposal, or to further the land use policies of the City, or to ensure that the benefits derived from the project justify a departure from such regulations."

The PUD Ordinance states that waivers may be granted by the Council on a case-by-case basis. Application for waivers or deferrals must be in writing and submitted as part of the PUD application. The PUD Ordinance requires that:

“Such application for waiver or deferral must state with particularity the matters on which the applicant seeks waiver or deferral and the waiver or deferral would not be detrimental to the public welfare, health and safety nor injurious to property owners in the immediate area.”

Several Waivers have been requested by the applicant and approved by the City Council. See Item 7, Table 5 below for a detailed table of the waiver requests.

2. STANDARDS OF REVIEW:

The Planned Unit Development Ordinance, Chapter 16.08.080 establishes seventeen (17) standards of evaluation. The Planning and Zoning Staff analyzed the BML PUD application dated September 22, 2009, as well as other supplemental documents, in relation to the City’s land use policies and ordinances, the 2001 Comprehensive Plan, 2006 Downtown Master Plan and 2008 Gateway Study (Winter & Associates) in preparing its report for the public hearing conducted April 8-9, 2010, April 19, 2010, May 4, 2010 and May 17, 2010.

In addition to the foregoing, the Council relied upon the applicant’s presentation and questioning during the public hearings, citizen testimony, and staff comments in concluding deliberations relative the findings and conclusions contained herein.

3. PROCESS:

Timelines established by the PUD Ordinance are as follows:

	<u>Permitted</u>	<u>Actual Date</u>
Application (Dated 9-22-09)		Sep 23, 2009
Application Certified as Complete	30 days	Oct 1, 2009
Application Deficiencies cured	30 days	
Agency/Departmental Review	30 days	Oct 7 – Nov 6, 2009
Commission Review	60 days *	Dec 2-3, 2009
Findings and Recommendations	N/A	Dec 21, 2009
City Council Review	120 days	April 8, 2010

4. CONDITIONS OF APPROVAL:

The PUD Ordinance outlines a list of conditions which may be imposed by the Council to mitigate adverse impact of the proposal, or to further the land use policies of the City, or to ensure that the benefits derived from the project justify a departure from standard regulations. Conditions are not limited to those itemized in the PUD Ordinance. Only the City Council is empowered to grant modifications or waivers from standard zoning and subdivision requirements.

5. BALD MOUNTAIN LODGE PUD OVERVIEW AND SQUARE FOOTAGE BREAKDOWN:

The proposed project is described by the applicant as a four-star hotel. The proposal contains the following "hotel" components: 82 guest suites, 9 Lock-off units, reception and lobby area, full service restaurant and bar, day spa, hotel-related retail space, conference/ballroom facilities, outdoor terrace and swimming pool, activities center and underground parking garage. The proposed conference capacity is 250-275. The conference center, day spa, restaurant and bar will be open to the general public as well as hotel guest. The 4th & 5th floors of the development will house twenty six (26) residential condominium units. Lock-Off units are shown on the 4th floor under Lock-Off Option A which is on record with the City of Ketchum. The following table is a summary of the project's area square footages by level/floor:

Table 1: Bald Mountain Lodge Square Footage

Square Footage Summary

Lot Size	219 ft x 219 ft	48,351 sf
Parking Level 2(P-2)	Underground parking/ BOH/Hotel Support Services	48,306 sf
Parking Level 1(P-1)	Underground parking/BOH/ Spa/Ballroom	48,306 sf
First Floor	Retail/Lobbies/Spa/Activity Center	28,461 sf
Second Floor	Hotel Guest Rooms	29,711 sf
Third Floor	Hotel Guest Rooms	29,711 sf
Fourth Floor	Lock Off Hotel Rooms (3,538) Residential Condominiums	25,006 sf
Fifth Floor	Residential condominiums Hotel Related Area (731 sf)	22,384 sf
TOTAL BUILDING AREA		231,885 sf
TOTAL SUB GRADE/PARKING AREA		96,612 sf
TOTAL GROSS FLOOR AREA ABOVE GRADE		134,800 sf

Table 2. Detailed Square Footage and Use Breakdown by Level:

P2 (below grade)

USE	SQUARE FOOTAGE
Hotel Related	17,129
Parking (51 stalls)	31,177
Total	48,306

P1 (below grade)

USE	SQUARE FOOTAGE
Spa	3,621
Ballroom	2,420
Pre-function	2,407
Back of House	4,528
Multi-Use	1,388
Conference	609
Bathrooms	636
Courtyard – 2,916 sf	(Not included in total)
Mechanical	773
Total Hotel Use	16,460
Parking(65 stalls)	31,846
Total	48,306

*96,612 square feet below grade square footage (P1 + P2);

Level 1 (ground)

USE	SQUARE FOOTAGE
Retail	2,614
Restaurant	7,006
Café	735
Activity Room	4,726
Spa	1,885
Fitness	819
Lockers	432
Office	217
Great Room	5,660
Bathrooms	611
Loading	2,530
Circulation	1,427
Total	28,461

*Outdoor Level 1 Pool/Deck area: +/- 5,500 sq.ft.

Level 2

USE	SQUARE FOOTAGE
Hotel (41 keys)	29,711
Total	29,711

Level 3

USE	SQUARE FOOTAGE
Hotel (41 keys)	29,711
Total	29,711

*59,000 gross square footage for hotel use (L2 + L3) and 82 total hot beds/keys

Level 4

USE	SQUARE FOOTAGE
Residential (26 units)	23,369
Hotel Uses (support)	1,637
Hotel Uses (Lock-Offs)	3,538
Total	25,006

Level 5

USE	SQUARE FOOTAGE
Residential (8 units)	22,384
Total	22,384

Floor Area Summary:

Existing: None
Proposed: 231,885 (including sub-grade garage)
168,862 (not including sub-grade parking space)

Lot Area: 48,351 sf

Floor Area Ratio:

Permitted: Community Core regulations do not limit FAR's for 4 and 5 story hotels
Proposed: 2.8

6. **HOTEL DEFINITION**

Ketchum’s hotel “matrix” for Bald Mountain Lodge is shown below:

Table 3: BALD MOUNTAIN LODGE MATRIX/HOTEL DEFINITION

HOTEL CONFIGURATION	BML
Guest Rooms	82
Sq Ft	59422
Dedicated Units –Lock-Out Units	9
Sq Ft	3538
Hotel Key Count	91
BOH/Lobbies/Hotel Related Uses Sq Ft (P1,P2,Level 1, Level 4)	63687
TTL “Hotel” sq ft (per definition)	126,647
Permitted “Non-Hotel” sq ft (25%)	42,215.5
Proposed Residential Units (4th & 5th Floors minus lock-off units)	26
Sq Ft	42,215
TTL Bldg Sq Ft (includes sub-grade hotel-uses)	168,862
Pct of Building Area defined as “Hotel”	75 %
Residential sq ft over allowable per definition	0

Table 4: HOTEL DEFINITION

COMPONENT	PZ 4/23/09	PZ 7/13/09	PZ 12/2-3/09	CC 5/17/10
Total Gross Floor Area			168,539	168,862
Hotel Floor Area	122,031	126,931	125,389	126,647
% of Building Floor Area	71%	73.5%	74.4%	75%
Residential Floor Area	50,005	45,608	43,890	42,215
% of Building Floor Area	29%	26.5%	25.6%	25%

**Revised Hotel Numbers based on Attachment A – Revised Area Summary.*

Supplemental Analysis: Applicant agreed at the December 3, 2009 Planning and Zoning Public Hearing that the project would comply with Ketchum’s “hotel” definition by adjusting/increasing the final lock-off unit configuration. Note that included in the above “hotel” definition calculation is a hotel-support area on the 4th floor. Such an allowance is

permitted provided non-hotel (residential units) square footage is dedicated/included within the nightly rental pool of units as allowed within Ketchum’s Hotel Definition. The applicant has committed to dedicated 3538 square feet on the fourth floor as hotel lock off units. This equates to 9 hotel units.

7. WAIVER REQUESTS WITH FINDINGS:

Modifications or waivers from certain standard zoning and subdivision requirements are permitted within the PUD process. The following table sets forth the applicant’s request and the corresponding findings by the Council.

Table 5: Waiver Requests, Bald Mountain Lodge

Code Section Zoning Ord.	Requirement	Waiver	Finding
Subdivision Ordinance: 16.08.080(A)(1)	Minimum lot size of three acres	Lot is 0.92 acres	Waiver specifically permitted for hotels - Approved
Conditional Use Permits: 17.116.080	12 month Term of CUP Approval	4 year term of CUP approval with incentives for accelerated schedule	The size and inherent complexity of the project warrants such a timeline. In addition, this is similar to timelines established for similar projects. - Approved
Community Core: 17.64.010.L: Use Specifications	G. Private outdoor space: All residential uses shall have a private outdoor space (such as a deck, balcony, or private porch). The area of each private outdoor space shall be at least 50 square feet, with no dimension less than 6 feet.	On 4 th and 5 th floor residential units, decks have dimensions less than 6 ft	Residential units have substantial outdoor spaces and waiver will not diminish their use of appearance - Approved
Community Core: 17.64.010.L: Site Specifications	D. Building zone: 60 to 100 percent of this area shall be occupied by 1 or more buildings. 1. The minimum building depth shall be 50 feet as measured from the front and rear property line, except a portion of the building may be built anywhere within 30 feet of the front property line.	Rear Building Zone along Washington Avenue – 36% of this zone is building; 60% is required *not including outdoor terrace area as building	This portion of the site is adjacent to the Forest Service park and less building mass is appropriate. In addition, the Gateway Mass and Scale Study recommend receding this corner in order to maximize views of Bald Mountain. - Approved

<p>Community Core: 17.64.010.L: Mass and Height Specifications</p>	<p>D.2. On streets and avenues the fourth floor and fifth floor shall be set back from the property line a minimum of 10 feet with an average of 15 feet. The average setback shall be calculated based on the built portion of the fourth and fifth floor facades and shall be calculated for each street or avenue elevation; the calculation of the average setback is not cumulative. In addition to the minimum and average setback requirement from the property line, the fourth and fifth floors shall be set back a minimum of 5 feet from the wall of the third floor.</p>	<p>4th and 5th floors do not meet 10 ft minimum setback on each street elevation. Average setback of 15 ft not met on 1st Street on 4th and 5th floors.</p>	<p>Overall massing of building and large setbacks along Main Street, River Street and Washington Ave reduce overall impacts of 4th and 5th floors. Said waiver will have minimal impacts on overall mass of 4th and 5th floors. In addition, the project has received design review approval from the Planning and Zoning Commission. - Approved</p>
<p>Community Core: 17.64.010.L: Façade Elements</p>	<p>A. Awnings/marquees may project 3 feet to 6 feet from the facade. At major pedestrian entrances to the hotel, marquees may extend between 6 feet and up to $\frac{2}{3}$ the distance between the front facade and the curb line of the sidewalk. Supporting posts are permitted at these entrances.</p>	<p>Marquees extend 7.5 to 12 feet from all four building facades at multiple locations. Only main entrances to the hotel may extend beyond 6 feet.</p>	<p>Larger marquees are appropriate for a large hotel building. - Approved</p>
<p>Community Core: 17.64.010.L: Mass and Height Specifications</p>	<p>B. Upper floor ceiling heights: 8 feet minimum and up to 80 percent of the height of first floor ceiling.</p>	<p>5th floor ceiling height exceeds 80% of the height of the first floor ceiling height</p>	<p>Required sloped roof design warrants larger ceiling height on 5th floor. - Approved</p>
<p>Community Core: 17.64.010.L: Hotels – Employee Housing</p>	<p>3-5. Applicant is required to provide housing for 25% of the total number of employees calculated per hotel room or bedroom.</p>	<p>Full waiver of requirement/Partial Waiver of requirement. See condition #3 of the conditions of approval for complete waiver and timeline incentives</p>	<p>Project incentivized to begin construction with two years. - Approved</p>

ZONING CODE REQUIREMENTS

17.64 COMMUNITY CORE ZONING DISTRICT

PROPOSED BUILDING OFFSETS: See site plans and floor plans

REQUIRED SETBACKS:

On streets and avenues the fourth floor and fifth floor shall be set back from the property line a minimum of 10 feet with an average of 15 feet. In addition to the minimum and average setback requirement from the property line, the fourth and fifth floors shall be set back a minimum of 5 feet from the wall of the third floor: A waiver to this standard has been approved. Please see Table 5: Waiver Requests, Bald Mountain Lodge for more details on this waiver request and the fourth and fifth floor setbacks. In addition, more details on the 4th and 5th floor setbacks are provided in the design review findings of fact dated March 22, 2010. No other setbacks are required for this project.

BUILDING HEIGHT:

Proposed: 68 ft (see updated height analysis plan)

Permitted: 68 ft

Additional Analysis: The height shall be measure from the average elevation of Main Street and average elevation of Washington Avenue. The applicant indicated that the height limit will be met. The average elevations have been set at:

Main St Average Elevation:	5832.7
Washington Ave Average Elevation	5929

CURB CUT:

Main Street: 16 ft

First Street: 22 ft

River Street: 22 ft

PARKING SPACES:

Proposed: 125 spaces (with on street Credit)

Required: 114 spaces

Required parking spaces are pursuant to 17.64.010.E. See table below:

Table 6: Required Parking, Hotel Ketchum

Parking Requirements:

Commercial Space: 13,120 sf	2 per 1,000 sq. ft. = 26 spaces
Residential: 35,100 sf	1 per 1,500 sq. ft. = 23 spaces
Hotel: 87 units	.75 per Room = 65 spaces
Total Spaces Required: 114 spaces	

Proposed:

Garage: 116 spaces **On Street Credit:** 9 spaces

Total Spaces Proposed: 125 spaces

Surface Parking:

Existing: 32 **Proposed:** estimated on-street parking loss of 16 (±10)

* Note: Sidewalk plan and surface parking configuration TBD with City Engineer, planning staff and final City Council approval (see condition #7). A net loss of surface parking spaces is anticipated. Project is credited with additional 9 surface parking spaces for determining parking compliance. Applicant does not need the on-street parking credit to comply with the ordinance.

17.64.010.I Hotel Uses

I. Hotel Uses:

1. Transfer Of Development Rights: Hotels may build a fourth floor anywhere in designated receiving areas, as may be adopted by the city council, without purchase of transfer of development rights. If a site meets the criteria for five-story hotel site designation, the fifth floor may be built without the purchase of transfer of development rights. Five-story hotels may only be approved via a planned unit development (PUD) as outlined in chapter 16.08 of this code. However, with the exception of limited architectural elements, hotel projects may not request waivers to the height and bulk requirements of subsection L1f of this section, building type 6 hotel.

Finding/Conclusion: The proposed hotel is five stories in height and within Sub-District A of the Community Core Zoning District. The site meets the criteria for a Five-Story Hotel Site Designation. The applicant applied for CUP PUD and received Design Review approval. No exceptions to the current height limit for a five story hotel are proposed.

a. Five-Story Hotel Site Designation Criteria: A property shall meet all of the following criteria to be designated as a five-story hotel site:

Commission Recommendation:

(1) Is located in Subdistrict A, retail core. Yes

(2) Is highly visible to visitors. Yes

(3) Is convenient to walk to retail center. Yes

(4) Is near the center town plaza, Main Street and Sun Valley Road. Yes

(5) Contributes to the retail vibrancy. Yes

(6) Is not located on Main Street between First Street and Sixth Street. Yes

(7) Has a minimum lot area of thirty three thousand (33,000) square feet. Yes

(8) Respects the general parameters of any massing studies which may be applicable in the area. Yes – See Massing Study Analysis

2. Designated Sending Areas Restricted: Without exception, hotels cannot build fourth or fifth floors in designated sending areas, as may be adopted by the city council.

Finding/Conclusion: The proposed hotel project and property is not a designated sending area.

3. Employee Housing: Hotel developments are required to mitigate employee housing impacts at a ratio of twenty five percent (25%) of the total number of employees calculated by the following formula: One employee per hotel room or bedroom. A development agreement or other similar tool shall be utilized to outline employee housing commitments.

Finding/Conclusion: The applicant did not submit an Employee Housing Plan. For the hotel rooms proposed including dedicated lock-off units, a minimum 23 employees must be housed. A development agreement is being drafted. The Council has approved a waiver to this requirement structured through a construction timeline. This is outlined in detail under condition #3 of these findings. The applicant will be required to meet the entirety of this requirement if the construction timelines outlined in condition #3 are not met.

4. Employee Housing Plan: The applicant shall provide an employee housing plan 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 the mix of employee housing which addresses the range of employees needed to serve the hotel.

Finding/Conclusion: No detailed employee housing plan was submitted. The Council has approved a waiver to this requirement structured through a construction timeline. This is outlined in detail under condition #3 of these findings. The applicant will be required to meet

the entirety of this requirement if the construction timelines outlined in condition #3 are not met. Included with the original staff report was a letter from the BCHA (Attachment 1: Department and Agency Comments) suggesting developing a timeline for submittal of a plan. The Commission recommended that the Council reference the action taken relative to the Hotel Ketchum. The following information was included in the workforce housing analysis for Hotel Ketchum:

Table 7: City of Ketchum Workforce Housing Requirements

Proposal	# 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
hot beds									
cold beds									
Total Sq. Ft:									

Additionally, the following elements should be considered in developing a workforce housing plan:

1. Provide salary/hourly wages (2009 dollars) for the various income categories of employees.
2. The expected number of each level of employee that is intended to be served by the employee housing units.
3. Location of units to be within Ketchum City limits.
4. Provide a matrix on breakdowns of the different types of units and occupancy programs for those units.

5. Alternate Means To Satisfy Square Footage: 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, or other considerations may be proposed by the hotel developer. Larger sites are encouraged to include employee and/or community housing on site. The city council has full discretionary power to deny said request.

Finding/Conclusion: No employee housing plan was submitted. The applicant and Commission discussed this requirement at the public hearing. The Commission recommended that this requirement be met. The Council has approved a waiver to this requirement structured through a construction timeline. This is outlined in detail under condition #3 of these findings. Under Timeline A the applicant will receive a full waiver of the employee housing requirement. Under Timeline B the applicant will receive a partial waiver of the employee housing requirement, with the remainder satisfied via real estate transfer means of other means

approved by the Council. Under Timeline C the applicant will be required to provide for the full employee housing requirement.

6. Development Agreement: Hotels shall enter into a development agreement with the city as part of the PUD approval process. Said development agreement may address the following subjects: community housing, hotel room uses and restrictions, public access on the property, alternatives and remedies if the hotel use ceases, and any other issue the planning and zoning commission or city council deems appropriate. Said development agreement shall follow the public hearing process as outlined in chapter 16.08 of this code. Said development agreement shall be subject to sections 17.154.060, "Enforcement", and 17.154.070, "Modification And Termination", of this title.

Finding/Conclusion: Adoption and approval of a development agreement shall take place prior to building permit approval. Staff is currently drafting this document based on the PUD findings of fact. The agreement will be available for City Council Review and approval.

PUD EVALUATION STANDARDS

16.08.080(A) 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:

Waiver to three acre minimum lot size is requested.

The subject property is 1.12 acres. The proposed development is a hotel which meets the definition of hotel in Chapter 17.08 (shall meet the definition of a hotel by condition). This standard states that a waiver of the minimum lot size may be granted for hotels.

Conclusion: The applicant has requested a waiver of this requirement. The Commission recommended approval of this waiver because of the proposed hotel use. The City Council has considered this standard and found that it has been met.

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

Finding:

The present/permitted uses of the surrounding area include:

- The Kentwood Lodge hotel across Main Street to the East.
- The US Bank Building (formerly First Bank of Idaho) directly to the north.
- The City owned Forest Service Park directly to the west.
- A mix of residential and commercial properties directly to the south.
- Approved 4-Star Hotel Ketchum (Trail Creek Village)

The subject property is zoned Community Core and surrounding zoning includes Tourist (T), Community Core (CC) and Flood Plain Overlay District. The property is presently vacant and previously housed Bald Mountain Hot Springs Resort. See Attachment 9 from the Planning and Zoning Commission PUD Staff Report for the complete list of permitted and conditional uses allowed in the CC and surrounding districts. Also see the Table 8 below for a list of surrounding densities.

Table 8: Approximate Surrounding Area Floor Area Ratios:

Density Allowed	Tourist (T)	Community Core (CC)
Density allowed per zoning district	0.5 FAR per lot (approx. 21 units per 1 acre site)	1.0 FAR; 2.25 FAR w/CH
Current Density of surrounding area		Kentwood Lodge: 1.14 FAR US Bank Building: 1.7 Hotel Ketchum: 2.4

The proposed project is at a floor area ratio (FAR) of 2.8. The most similar building in downtown Ketchum having an FAR of over 2.0 is the new Lot 5A building at the corner of Leadville Avenue and Sun Valley Road, with a FAR of 2.21. In addition, the approved Hotel Ketchum at the corner of Main Street and River Street will have an FAR of 2.4. This building is located in the Tourist (T) Zoning District and received a waiver to build to this density. The proposed hotel is not subject to a FAR requirement and the Downtown Master Plan adopted in 2006 anticipated greater FAR's for hotel uses.

Other aspects of the project that could impact the surrounding neighborhood:

The height, bulk, and uses are evaluated in other standards throughout this report. The use of lighting has been evaluated during the design review of this project. The applicant has submitted exterior lighting plans that appear to conform to the Dark Sky Ordinance.

Construction mitigation will conform to the City of Ketchum's Construction Mitigation Ordinance and will be extremely important. A formal plan will be developed through the building permit process.

Conclusion: The City Council has considered this standard and found that it has been met. The proposed development will not be detrimental to the current and permitted uses in the area. The proposed hotel is a permitted use within the CC zoning district and comparable in bulk and mass with the previously approved Hotel Ketchum on the southeast corner of Main and River Streets, although the proposed hotel is substantially larger.

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

Finding:

This standard is not applicable because the proposed development is not a subdivision. However, potential benefits include economic development, significant contribution toward the undergrounding of overhead power lines along the Main Street corridor at this gateway area, and an increase in the overall number "hotbeds" in the City. For additional discussion of benefits, see standard #14 below.

Conclusion: The City Council considered this standard and found that it does not apply. No land subdivision is proposed. See #14 below for a more detailed list of benefits.

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

Finding:

This standard is subjective and should include evaluation of uses, densities, bulk, architectural design, materials, landscaping, building and parking layout. Uses in the surrounding neighborhood include a hotel and commercial uses, as well as residential. The hotel, restaurant, spa, other commercial uses are permitted under the Community Core (CC) Zoning District and Tourist (T) Zoning District.

Bulk: Bulk is defined in the Ketchum Zoning Code as follows:

3.13 Bulk - "Bulk" is the term used to decide the size and mutual relationships of buildings and other structures, and therefore includes:

- (1) The size of buildings and other structures;
- (2) The shape of buildings and other structures;
- (3) The location of exterior walls of buildings and other structures, in relation to area of a lot, to the centerline of streets, to other walls of the same building, and to other buildings or structures; and,
- (4) All open spaces relating to a building or a structure.

The following table shows projects located adjacent to or within the general vicinity of from the proposed hotel. Building footprint, setback from street, and building height are noted for each one.

Table 9: Chart of Setbacks of Surrounding Projects

PROJECT	FOOTPRINT SIZE (sq. ft.)	SETBACK FROM STREET	NUMBER OF STORIES
Kentwood Lodge	21,780	1 ft	3
Trail Creek Crossings	16,086	100' from Main; 75' from Leadville	2
Sotheby's	770	7 ft	1 + daylight
US Bank Building	?	4 ft	3
Forest Service Park	>1000 sq ft	varies	1
Hotel Ketchum	Approx 20,000 sf	HW 75 – 11 ft Leadville Ave – 0 ft River St (3 ft)	4-5 stories

*Note: Figures shown are approximate.

The most sensitive adjacent property is the Forest Service Park to the west. This historic site has been retained in condition close to the original in terms of scale and building placement. The park houses the Historical Society Museum, and is used for a variety of special events. The applicant has provided computer simulated renderings showing the proposal and surrounding buildings from various points as well as aerial viewpoints. The elevation drawings submitted indicate that the architectural design and materials contain detailing found in surrounding buildings such as stone, heavy timber and wood siding. All parking is underground and therefore hidden from view. The building is set back for a significant portion of the façade on the west side adjacent to the Forest Service Park. This setback will provide a buffer for the park from the scale and bulk of the proposed hotel.

The waiver request to the required 4th and 5th floor setbacks pertains to this standard. This waiver was approved with a 4-1 vote by the Commission and unanimous approval by the City Council.

Conclusion: The City Council has considered this standard and found that it has been met. The surrounding area consists of a mix of commercial uses including a hotel across Main Street. Although the proposed Hotel Ketchum will provide comparable size and scale, the project will be substantially larger than other buildings in the area, but perceived impacts resulting from height and bulk have been limited through the required design review. The proposed design is sensitive to the adjacent Forest Service Park, and incorporating a connection along Washington Street which includes a new streetscape design, angled parking, redefined park entrance would further enhance this heritage site. The Commission approved the 4th and 5th setback waiver with a 4-1 vote and the City Council unanimously approved the 4th and 5th floor setback waiver (see waiver chart on page 10).

N/A 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/Conclusion:

The City Council has considered this standard and found that it does not apply. No densities are being transferred. The proposed density is permitted in the CC Zoning District.

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;**

Finding:

A final traffic study for this specific project was submitted for City Review (Final Transportation Impact Assessment dated January 2010). The City Engineer did not have any issues or comments pertaining to this final traffic study. A Preliminary Transportation Impact Assessment for the project which was completed by Galena Engineering, Inc. (March 2009). At the request of the City LSC Transportation Consultants, Inc. completed a Traffic Review of the Transportation Impact Assessment on April 13, 2009. In addition, Hales Engineering completed a Transportation Planning Study of Main Street for the City and also presented a review of the BML Transportation Impact Assessment at the April 19, 2010 City Council Hearing. Comments from Hales Engineering are included with the project record and are dated April 14, 2010. Ryan Hales of Hales Engineering also presented at the April 19, 2010 public hearing and presented several traffic simulations pertaining to turning movements associated with the project. The Council had expressed concern that the left turn movements from Main Street onto 1st Street would create delays in high traffic periods. Ryan Hales simulations showed that with the appropriate mitigations as outlined in his memo, the traffic flow in and around the project would be acceptable. LSC Transportation, Hales Engineering and the City Engineer found that the proposed transportation plan and mitigation measure proposed were suitable for the project.

The project is located in the Downtown Core and no new roadways are proposed.

The Transportation Impact Assessment (Galena Engineering, March 2009) proposed the following scenario for traffic generation:

Resort Hotel	82 Rooms
Luxury Condos	26 Units
Quality Restaurant	7040 Square Feet
Apparel Store	2733 Square Feet
Spa/Fitness	7697 Square Feet

Additional assumptions for the traffic generation include the following:

- Average occupancy rate is assumed to be 60 percent.
- Reducing the Quality Restaurant trip generation rate by 66 percent, assuming that 66 percent of the restaurant patrons during the peak period are guests of the hotel.

- Reducing the apparel store a.m. peak hour generation rate to 0 since these shops will not be open during the a.m. peak hour.
- Reducing the apparel store p.m. peak hour generation rate by 50 percent, assuming that 50 percent of the retail shop patrons are guests of the hotel.
- Reducing the health/fitness club trip generation rate by 66 percent, assuming that 66 percent of the spa patrons during the peak period are guests of the hotel.

With the reductions the estimated traffic generated is as follows:

Average Weekday Trips	885 trips per day
Weekday A.M. Peak Hour:	
Total	37 trips
In	19 trips
Out	18 trips

Weekday P.M. Peak Hour:	
Total	72 trips
In	39 trips
Out	33 trips

LSC Transportation Consultants' comments on the Transportation Impact Assessment were as follows:

- The traffic assessment prepared by Galena Engineering is intended to be a preliminary look at the traffic issues associated with the proposed Bald Mountain Lodge development. The Galena Engineering study is not intended to be a complete traffic impact analysis. A complete traffic impact analysis should be completed as development of this project moves forward.
- The trip generation estimates should be reevaluated assuming 100 percent occupancy for the hotel land use.
- The trip assignment process should reflect movements between the portecochere area and the parking structure access (both by valets and self parkers).

The Main Street Transportation Study (Hales Engineering) included modeling of the estimated Bald Mountain traffic. Main Street is able to handle the increased traffic and with the proposed mitigation measures:

- Main Street from River Street to 6th Street: Initially switch to a 3 lane section with a center turn lane. As traffic increases change to a future 5 lane section with a center turn lane. Sequence the traffic lights to move traffic through town more efficiently.
- Main Street from River Street to Serenade: Add another outbound lane on Main Street for a total of one inbound lane and two outbound lanes.
- Add a T intersection or Roundabout at Main Street and Serenade Lane.

- Reroute Warms Springs Road to 10th Street with a signal.
- Future left-turn pockets on 5th and 1st Streets.

Conclusion: The City Council considered this standard and found that it has been met. The City Engineer requested that a final traffic impact analysis be completed prior to completion of a development agreement. The applicant has provided this document and it has been reviewed by the City Engineer and Hales Engineering. The circulation scheme proposed for the hotel is found to be acceptable. The proposed mitigation measures shall be outlined and incorporated into the development agreement. This should include measures for pedestrian safety at entry/exit points from the service area, porte-cochere and underground garage. See Condition #10 which addresses this standard. In addition, the Commission recommended against implementation of a 5 lane street section for Main Street.

b. Will not generate vehicular traffic to cause "undue congestion" of the public street network within or outside the PUD;

Finding/Conclusion:

See Section a. The City Council considered this standard and found that it has been met.

c. Is designed to provide automotive and pedestrian safety and convenience;

Finding:

The development has access to the hotel off of 1st Street and exits onto 1st Street and Main Street. The access to the underground parking is off of River Street. There is a delivery access on 1st Street at the alley.

LSC Transportation Consultants' comments on the ingress and egress from the site are as follows:

- The exit-only access point from the porte-cochere onto Main Street should be allowed, as it is not an undue traffic safety concern and it helps to reduce overall traffic congestion generated by the proposed project.
- Traffic queuing at the Main Street exit-only access point would only occur on site property and during peak hours. Queuing would not be an issue because the traffic signal at First Street provides adequate gaps in Main Street Traffic.
- Proper signage at the Main Street exit-only access point will be required both to direct traffic around to the First Street access point and to inform divers that inbound traffic is prohibited at the Main Street access point.
- Clear line of sight should be provided for drivers exiting onto Main Street from the porte-cochere looking to the north. This may require reduction in on-street parking along the west side of Main Street north of this access point from what would otherwise be allowed.
- The close proximity of the First Street access point to the Main Street/First Street intersection would cause the eastbound traffic queue to block access to the driveway to left-turning vehicles a few times per hour. These left-turning vehicles would then block the westbound travel lane along First Street. Simulation analysis indicates that this would not create congestion at the First

Street/Main Street intersections except under very rare conditions during a limited number of peak hours.

The following is listed as a condition of approval regarding final sidewalk designs for the project. The final design of the Washington Avenue sidewalks will require City Council approval prior to building permit approval (see condition #7).

- Limit impacts of delivery vehicles (see condition #6)

River Street Frontage

- Bulb-out at River and Main St: 18 ft including curb and gutter
- Sidewalk 10 ft not including curb/gutter with angled parking along length of River Street
- Bulb-out with exit/entrance at intersection adjacent to Washington Ave: 18 ft including curb/gutter

Main Street Frontage (Based on two 12 ft southbound travel lanes)

- At 1st St: 16 ft bulb-out including curb and gutter
- Bus pull out 8 ft wide including curb and gutter leaving 8 ft wide sidewalk (subject to Mountain Rides requirements)
- Bulb-out at mid-block: 16 ft including curb/gutter
- 16 ft sidewalk/bulb-out from porte-cochere exit to River St

First Street Frontage

- 10 ft minimum sidewalk
- Parking from loading dock to Washington Ave (2 spaces)
- No bulb-outs permitted

Washington Ave Frontage*

- Two 9.5 ft travel lanes
- Maintain existing angled parking along Forest service Park
- BML portion of sidewalk - Minimum 10 ft sidewalks with portions of sidewalk 18 ft in width
- Barriers needed between parking and sidewalks (planters, bollards...etc)
- Recommend stamped and colored asphalt or pavers
- Recommend curb-less sidewalks allowing for flexibility (events, festivals, vending, etc...)

Conclusion: The City Council considered this standard and found that it has been met with the condition that the development complies with the recommendations of the City Engineer/Hales Engineering and that the City Council approves the final design of the Washington Ave right of way improvements.

d. Is designed to provide adequate removal, storage and deposition of snow;

Finding: The Developer is proposing to heat melt the sidewalks. The commission discussed implementing a ground source heat pump system for the snowmelt areas if

possible. This could be accomplished under the garage or adjacent streets. The Council also discussed snowmelt and the possibility of utilizing ground source heat pumps. This was left to the applicant to determine if such a system would be feasible.

Conclusion: The City Council considered this standard and found that it has been met.

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.

Finding/Conclusion:

The City Council considered this standard and found that it has been met.. See Section c.

f. Includes the use of buffers or other physical separations to buffer vehicular movement from adjacent uses;

Finding/Conclusion:

The project is located in downtown Ketchum and is similar to other surrounding uses on Main Street (Kentwood Hotel). The most sensitive adjacent use is the Forest Service Park to the west. The project is proposing street trees to soften the streetscape around the hotel. The building is set back on a large portion of the west side, holding building walls back from the Forest Service Park. The City Council considered this standard and found that it has been met.

g. Is designed so that roads are placed so that disturbance of natural features and existing vegetation is minimized;

Finding/Conclusion:

No additional roads are being proposed at this time. The City Council considered this standard and found that it does not apply.

h. Includes trails and sidewalks that creates an internal circulation system and connect to surrounding trails and walkways.

Commission Finding/Conclusion:

The project is proposing to have a connection to the Forest Service Park to the west of the site. A public plaza space adjacent to the restaurant will be open to the public and this area will provide public access to the hotel sub-grade conference area. The City Council considered this standard and found that it has been met.

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.

Finding:

Comprehensive Plan

Please refer to Attachment 8 of the Planning and Zoning Commission PUD Staff Report for the Comprehensive Plan analysis, including the specific sub-area analysis.

Downtown Master Plan

An analysis of the Downtown Master Plan was provided under Attachment 7 of the Planning and Zoning Commission PUD Staff Report. This highlights applicable goals and policies established in this document. In addition, an analysis of the Gateway Massing Study was provided under Attachment 6 of the Planning and Zoning Commission PUD Staff Report.

Zoning Ordinance:

The proposed development will meet the standards of the zoning ordinance with the exception of the waivers that are granted by the City through the PUD process.

Subdivision Ordinance:

No subdivision of land is proposed at this time. The proposed development is not subject to other standards of the Subdivision Ordinance.

Conclusion: The Council concluded that the proposed hotel is in conformance with and promotes the purposes and goals of the comprehensive plan. No goals or policies within the comprehensive plan directly conflict with the proposed development. This standard was met with a Commission vote of 4-1. One Commissioner voted against because of the 4th and 5th floor setbacks and conflicts with the Gateway Mass and Scale Study. The Council unanimously approved this standard.

- 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.

Finding/Conclusion:

A concurrent Design Review application was submitted by the applicant and approved by the Planning and Zoning Commission (see Design Review Findings of Fact dated March 22, 2010. Analysis of architecture including bulk, undulation and site planning are reviewed under design review.

- 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.

Finding/Conclusion:

Standards of evaluation for Design Review as well as the PUD include consideration of these issues.

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

Finding/Conclusion:

N/A – a single building is proposed.

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

Finding/Conclusion:

The most significant features of the site include several mature trees which are to be removed. No other significant natural features exist on the site. The scale and required undergrounding parking structures for this development will not allow preservation of the existing trees. The City Council considered this standard and found that it has been met.

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

Finding:

The project is located in the Community Core and is built to or adjacent to the property line. Street trees will be planted within the sidewalk to provide a landscape buffer at street level. In addition, the southwest corner of the property adjacent to the Forest Service Park will feature a large outdoor terrace with substantial plantings providing additional buffer. Main Street will feature planting baskets and a landscape planter. Street trees along Main Street where appropriate will also be included.

Conclusion: The City Council considered this standard and found that it has been met. Buffering is provided appropriately for a building in the Community Core District. Street trees shall be provided along Main Street in addition to a potential Gateway feature.

N/A 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/Conclusion: No phasing is proposed. The project will feature one building/structure which will be built at one time. The City Council considered this standard and found that it does not apply.

___ 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:

Useable open space within the project includes the outdoor terrace area which provides a swimming pool available to residents and hotel guests. Such "open space" may be appropriate for this urban hotel type of project as it is "useable and convenient" to the residents of the project – in this case the hotel guests and condominium owners. The amount of land available for outdoor open space is limited do the size and location of the lot. The outdoor terrace space provided is appropriate for this type of downtown development.

Conclusion: The City Council considered this standard and found that it has been met. The applicant is providing an appropriate amount of useable open space for hotel guests and residents. A large outdoor terrace is provided.

___ 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:

A single building is located on the site and is located on an entire city block. Two levels of underground parking are proposed with access to the parking along First Street. A solar study was provided at the December 2-3, 2009 Planning and Zoning Commission public hearings as well as at the April 8-9 City Council Public Hearings. Access to and from parking is in the appropriate location. The building itself is also located in a permitted location and other suitable locations are not available.

Conclusion: A solar study was presented by the applicant. The Council had no concerns or comments concerning the solar study. The City Council considered this standard and found that it 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:

A swimming pool and spa pool are provided in the courtyard for residents and hotel guests. A fitness center is also proposed. An activity center is also proposed that will provide services for guests and residents. This activity center may feature bike rentals, ski rentals and other similar activities and may also include general retail activities. There will be an outdoor deck suitable for small gatherings. A plaza space outside the restaurant will be available to the public.

Conclusion: The City Council considered this standard and found that it has been met. The applicant is providing an appropriate amount of recreational facilities for this type of downtown development.

___ 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:

Table 10 summarizes the special development objectives of the proposal:

TABLE 10: SPECIAL DEVELOPMENT OBJECTIVES

Special Development Objective, special Characteristics of the Site or Physical Conditions	Type of Objective
4-Star Hotel	Economic (see fiscal impact analysis by Randy Young dated January 31, 2010)
Conference Space (seating for 250-275 persons)	Economic
Employee Housing for 23 employees (waived if construction commences by 2012; partial waiver if construction commences by 2013)	Social and Economic
Proposed contribution towards the undergrounding of overhead power lines (amount to be determined)	Aesthetic; Economic
Pedestrian improvements to public right-of-way to create enhance pedestrian experience, Gateway Architectural Element	Aesthetic; Economic

A fiscal impact study was not prepared at the time of Planning and Zoning review. A detailed fiscal impact analysis was prepared for the City Council. The fiscal and economic impacts of these development objectives were thoroughly analyzed through this study. The financial benefit to the URA was perceived as substantial. In addition, Randy Young noted that this was not an economic impact analysis and did not include all the multiplier effects such a development can have on a City. The following is a general summary of the fiscal impact associated with the project.

	During Construction	Annually After Buildout
City of Ketchum		
Revenue	\$ 593,751	\$ 285,430
Cost	- 319,351	- 446,176
Cost Sharing Benefit	0	+ 164,072
Positive or Negative	274,400	3,327
Ketchum URA		
Revenue	\$ 0	\$ 217,698
Cost	0	0
Positive or Negative	0	217,698

As noted in #7 above, undergrounding power lines along Main Street is a goal mentioned frequently in the Comprehensive Plan. The applicant is required to provide a proportionate amount toward the undergrounding of overhead power lines in the vicinity of the project. This will consist of a pro-rated share and include late coming development. The City's and Idaho Power's timing on the undergrounding of these lines is unknown, and may not occur until well after the hotel's construction. The applicant has indicated that they are working with Idaho Power and an adjacent property owner to establish parameters for undergrounding power line. The precise contribution to undergrounding of power shall be addressed within the development agreement. In addition, the undergrounding of power has been addressed under condition #5 of these findings of fact.

The Downtown Master Plan recommends placement of Gateway features at the four corners intersecting River Street and Main Street. The final sidewalk design at this intersection provides space for a gateway element. A bulb out into River Street has been discussed, although no particular gateway feature has been identified. The Commission recommended incorporating a requirement that the applicant work with the City in creating a gateway element at the corner of River St and Main St. The Council has included this as a condition of approval. See condition #8 which requires that the applicant participate with the City in gateway design, commissioning, construction and installation.

Conclusion: The City Council found that there are special development objectives that justify the granting of this PUD. The City has established that increasing tourist accommodations by encouraging hotel development is a priority. The economic benefits of such a project are substantial as shown in the fiscal impact analysis provided by Randy Young. The final contribution towards undergrounding of power shall be finalized through the development agreement and the applicant shall provide a proportionate share. The applicant is required to participate with the City in the commissioning, construction and installation of a gateway element. In addition, the economic benefits of such a development have been recognized by the City Council as an important factor in approving the project.

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

Finding:

The project will require significant excavation and will have an extensive construction period. Actual construction is anticipated to take 22 months. The applicant has stated that a detailed construction staging and mitigation plan will be submitted through the building permit process. Off-site parking for construction workers and an off-site staging area for bulk materials are anticipated. Provision of these mitigation plans and programs are suggested as a condition of approval, to be provided prior to issuance of a building permit. Construction mitigation will conform to the City of Ketchum's Construction Mitigation Ordinance.

The Commission recommended a four (4) year approval window for the PUD. The applicant originally requested 5 years. The largest project approved in the City over the last 20 years, Warm Springs Ranch Resort, was granted a four (4) year approval window with a requirement

that building permits for Phase 1 be applied for within 48 months of the approval of the Development Agreement. The applicant has been given a four (4) year time frame, with significant incentives tied to accelerated construction schedules. Please see condition #3 of these findings of fact for more detail. The Council felt that an accelerated timeline was an important factor in granting waivers for the project. The Council concluded that breaking ground as soon as possible would have a substantially positive impact on the City's economy. Although the project has been given a total of four (4) years, significant incentives have been approved by the Council in order to accelerate the construction process. These incentives include waivers pertaining to the workforce housing requirement and dedication of URA funds generated by the project.

Conclusion: A detailed construction mitigation plan including details for parking and material storage should be produced prior to building permit approval. The City Council granted a four year overall approval period with incentives tied to accelerated construction schedules. Please see condition #3 of these findings of fact. The City Council considered this standard and found that it has been met.

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

Finding:

The Utilities Department made several comments related to the existing main lines, service lines, manholes, etc. that will need to be maintained or improved. These comments have been forwarded to the applicant and are included as a condition of approval. The applicant has met with the Fire Department and Fire Department comments were included with the original staff report for this project. Concerns have been raised regarding potential impacts to the Ketchum Fire Department's ability to provide emergency services to the building. The Fire Department will be reviewing this further during the building permit process. The sidewalk design will also be crucial with regard to fire apparatus access. Staff and the applicant have collaborated with the Fire Department and City Engineer to ensure appropriate sidewalk widths. Please see condition #7 which outlines the required sidewalk widths. The Street Department and City Engineer have also worked with the applicant to ensure appropriate sidewalk and street parking designs that will allow for proper maintenance and snow removal.

Conclusion: The City Council has considered this standard and found that it has been met. Adequate public services are provided for.

___ 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.**

Finding:

The applicant has requested several waivers that are outlined in the waiver chart provided earlier in these findings. The Commission recommends approval of all requested waivers. The waiver request for 4th and 5th floor setbacks was the only non-unanimous vote by the Commission, with a 4-1 approval. The City Council unanimously approved all of the waiver requests. All other ordinances, rules and regulations of the City of Ketchum are met.

Conclusion: The City Council has considered this standard and found that it has been met. The City Council approved all of the requested waivers as outlined in the waiver chart (Table 5, Page 9. All other rules and ordinances have been met.

COUNCIL ACTION:

Upon motion by Councilman Helzel, seconded by Councilman Kemp, and vote in favor (3-1, Councilman Jonas voted against due to the use of URA funds towards the project infrastructure) the Ketchum City Council finds that this project, Bald Mountain Lodge PUD - Conditional Use Permit, **does** meet the standards for approval under Chapter 16.08 of Ketchum Subdivision Ordinance Title 16, Planned Unit Developments, with the approved waivers outlined in these findings of fact. The Ketchum City Council approves this Conditional Use Permit for a Planned Unit Development (PUD) this 24th day of May, 2010, provided the following conditions are met:

CONDITIONS OF APPROVAL FOR BALD MOUNTAIN LODGE LLC – BALD MOUNTAIN LODGE PUD:

The following conditions are based on the findings made on each of the standards of evaluation as they have been applied to the submitted plans for the PUD:

Hotel Uses

1. In order to meet the hotel definition as outlined in Chapter 17.08 of the Ketchum Zoning Code, a minimum of 9 lock-off hotel units shall be provided on the 4th floor. Based on hotel square footage calculations these lock-off units shall total a minimum of 3538 gross square feet.
2. Only residential units may be condominiumized and sold separately. The hotel portion of the building including the hotel guest rooms shall not be condominiumized. Occupancy of residential units shall be addressed in the development agreement to ensure that they are as “occupied” for purposes of Urban Renewal Revenue valuation once certificates of occupancy have been issued.

Conditions continued on next page...

Timing and Incentives

3. Construction Incentives

Incentive Timeline	Community Housing Waiver	Workforce Housing Waiver	Infrastructure Partnering
Timeline A - Building permit applied for in 2011 with construction commencing by June 2012 and building completed by 2015	7,444 sf requirement or approximately \$2.36 million in lieu payment waived in full (based on extension of June 2010 deadline)	Waive the employee housing requirement in its entirety.	Applicant will construct and pay for all project infrastructure requirements as outlined in the DA. City of Ketchum agrees to request that the Urban Renewal Agency reimburse applicant for costs of qualified public infrastructure improvements. Said reimbursed costs may equal up to 50% of the annual URA revenue increments generated from the project up to a total of \$1.5 million over the life of the URA, whichever is less.
Timeline B - Building permit applied for in 2012 with construction commencing by December 2013 and building completed by 2016	7,444 sf requirement or approximately \$2.36 million in lieu payment waived in full (based on extension of June 2010 deadline)	50% waiver of housing requirement. 50% or \$1.38 million paid toward housing requirement via real estate transfer fee or other means determined by applicant	Applicant will construct and pay for all project infrastructure requirements as outlined in the DA. City of Ketchum agrees to request that the Urban Renewal Agency reimburse applicant for costs of qualified public infrastructure improvements. Said reimbursed costs may equal up to 50% of the annual URA revenue increments generated from the project up to a total of \$1.5 million over the life of the URA, whichever is less.
Timeline C - Building permit application applied for within 4 years of PUD approval	No waiver to requirement	No waiver to requirement	Applicant will construct and pay for all project infrastructure requirements as outlined in the DA. City of Ketchum does not contribute to said improvements.

*This approval is not binding upon the URA as its independent jurisdiction and discretion are not waived by any conditions mentioning the URA.

●**Timeline A.** The project shall receive the following waivers if a building permit is applied for in 2011 and construction commences by June of 2012. If a building permit is not applied for in 2011, construction does not commence in June 2012 and certificate of occupancy for the hotel portion of the building is not approved by January 2015 these waivers shall not apply:

i. Employee Housing: waive the employee housing requirement in its entirety.

ii. Infrastructure Partnering: Applicant will construct and pay for all project infrastructure requirements including undergrounding of power lines and installation of street improvements. City of Ketchum agrees to request that the Urban Renewal Agency reimburse applicant for costs of qualified public infrastructure improvements. A list of qualified public infrastructure improvements should be identified in the Development Agreement. Said reimbursed costs may equal up to 50% of the annual URA revenue increments generated from the project up to a total of \$1.5 million over the life of the URA, whichever is less. Said reimbursement will be paid annually via URA revenues generated by the project, and shall be subordinate to existing debt accrued/obligated by the URA. A repayment plan shall be developed at such time as substantial URA revenues are generated from the project, at which time total URA increment revenues associated with this project shall be recalculated. Applicant and City Council acknowledge and agree that any project utilizing URA funds is subject to the sole discretion and decision of the URA and the URA is not bound by this agreement. URA financing and projects are also subject to applicable Idaho and federal law. Accordingly, there is no guarantee that URA funding will be available for this project.

●**Timeline B.** The project shall receive the following waivers if a building permit is applied for in 2012 and construction commences by December of 2013. If a building permit is not applied for in 2012, construction does not commence in December 2013 and certificate of occupancy for the hotel portion of the building is not approved by January 2016 these waivers shall not apply:

i. Employee Housing: waive 50% of the total employee housing requirement as calculated by the following formula. The remaining 50% employee housing requirement which totals \$1.38 million shall be one of the following:

- a. Constructed within City limits or the Area of City Impact, including concepts of partnership with the City or other entities;
- b. Paid via a real estate transfer fee, with transfer fees accruing to the City Housing In Lieu fund at the time of closing of each unit, or
- c. By another method determined by the applicant and approved by the City.

If housing requirement is to be paid through read estate transfer fee, a minimum of 30% of the total required in-lieu fee shall be paid within one year of certificate of occupancy of the hotel. The remaining fee shall be paid at the closing of each

residential unit, at the rate of 4% of the remaining fee per unit closed until requirement 100% paid. In the event that the above schedule does not result in 100% of the fees being paid within ten years of Hotel COO, any remaining balance will be due and payable.

ii. Infrastructure Partnering: Applicant will construct and pay for all project infrastructure requirements including undergrounding of power lines and installation of street improvements. City of Ketchum agrees to request that the Urban Renewal Agency reimburse applicant for costs of qualified public infrastructure improvements. A list of qualified public infrastructure improvements should be identified in the Development Agreement. Said reimbursed costs may equal up to 50% of the annual URA revenue increments generated from the project up to a total of \$1.5 million over the life of the URA, whichever is less. Said reimbursement will be paid annually via URA revenues generated by the project, and shall be subordinate to existing debt accrued/obligated by the URA. A repayment plan shall be developed at such time as substantial URA revenues are generated from the project, at which time total URA increment revenues associated with this project shall be recalculated. Applicant and City Council acknowledge and agree that any project utilizing URA funds is subject to the sole discretion and decision of the URA and the URA is not bound by this agreement. URA financing and projects are also subject to applicable Idaho and federal law. Accordingly, there is no guarantee that URA funding will be available for this project.

● **Timeline C.** In the case that a building permit is not applied for and construction does not commence as outlined in the two alternate timelines, this PUD CUP shall be valid for a period of four (4) years. An application for building permit shall be submitted within 4 years, unless extended by the City Council upon written request by the applicant prior to the CUP expiring.

4. In the event that the project falls under Timeline C, the applicant shall provide a detailed Employee Housing Plan, which provides for housing for 23 employees on a site acceptable to the Ketchum City Council, and within Ketchum City limits.

The following elements shall be required in the Employee Housing Plan:

- a) Provide salary/hourly wages (current dollars) for the various income categories of employees.
- b) The expected number of each level of employee that is intended to be served by the employee housing units.
- c) Which employee category will be served by which type/size of units.
- d) Provide information on anticipated rental rates (in current dollars) or subsidized and/or free rent to employees; will utilities and homeowner's dues (if any) be included in proposed rates.

- e) Establishment of maximum occupancy per unit type (i.e. 1 person per 1 bedroom unit; 2 persons per 2 bedroom units).
- f) Location of units to be within Ketchum City limits.
- g) Provide a matrix on breakdowns of the different types of units (1BD; square footage; total number of units; anticipated rent, etc.)
- h) 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.
- i) What units will be available and how will the pool of units available be determined.
- j) What minimum standards will be used to determine employee eligibility to live in the employee housing; is full-time status required for employees to qualify for the employee housing and what constitutes full-time status.
- k) How will overflow of demand of units by employees be handled; will there be a priority system.
- l) Provide information on housing families (with children) and/or married couples.

The proposed Employee Housing shall meet minimum size thresholds and income categories established by BCHA and/or the City.

The following information shall be provided to the City:

- o Wage/salary range and a breakdown the number of employees within the aforementioned classifications
- o Information on type of housing provided per employee classification
- o Costs incurred in rent (and utilities) and transportation/parking by employees
- o Details on anticipated lease terms/rental agreements for employees housed on-site
- o Anticipated transport and parking scenarios for both on-site and commuting employees.

The Employee Housing Plan shall be submitted and approved by the City Council prior to issuance of a building permit. This plan shall be an exhibit to an amendment to the PUD agreement and recorded prior to issuance of a building permit.

All of the required Employee Housing shall be available prior to the issuance of any Certificates of Occupancy for the Hotel, or any other uses in the hotel.

5. The applicant shall contribute a proportionate share to the underground relocation of overhead utility lines in the vicinity of the project, as outlined in the Development Agreement for the project. However, if the City and Idaho Power do not complete this work as a city project, the applicant may relocate the power lines directly adjacent to the hotel as an off-site improvement.

Traffic and Circulation

6. Delivery vehicles associated with Bald Mountain Lodge, including the residential portion of the building, shall not interfere with the regular flow of traffic surrounding the building. In addition, delivery vehicles shall not block the regular flow of traffic on First Street and delivery vehicles shall not block the sidewalk along First Street.

7. Sidewalks shall be designed according to the approved sidewalk scheme for the site. The approved sidewalk scheme shall be recorded with the approved Development Agreement for Bald Mountain Lodge. The following requirements shall be met with regard to sidewalk designs and on-street parking:

River Street Frontage

- Bulb-out at River and Main St: 18 ft including curb and gutter
- Sidewalk 10 ft not including curb/gutter with angled parking along length of River Street
- Bulb-out with exit/entrance at intersection adjacent to Washington Ave: 18 ft including curb/gutter

Main Street Frontage (Based on two 12 ft southbound travel lanes)

- At 1st St: 16 ft bulb-out including curb and gutter
- Bus pull out 8 ft wide including curb and gutter leaving 8 ft wide sidewalk (subject to Mountain Rides requirements)
- Bulb-out at mid-block: 16 ft including curb/gutter
- 16 ft sidewalk/bulb-out from porte-cochere exit to River St

First Street Frontage

- 10 ft minimum sidewalk
- Parking from loading dock to Washington Ave (2 spaces)
- No bulb-outs permitted

Washington Ave Frontage*

- Two 9.5 ft travel lanes
- Maintain existing angled parking along Forest service Park
- BML portion of sidewalk - Minimum 10 ft sidewalks with portions of sidewalk 18 ft in width
- Barriers needed between parking and sidewalks (planters, bollards...etc)
- Recommend stamped and colored asphalt or pavers
- Recommend curb-less sidewalks allowing for flexibility (events, festivals, vending, etc...)

** Applicant shall present final design/scheme for Washington Avenue to City Council prior to building permit submittal and modifications to aforementioned scheme may be modified.*

8. Washington Avenue between 1st Street and River Street shall be rebuilt by the applicant within the aforementioned parameters. In addition, this section of Washington shall be

designed to serve events and functions taking place at both Bald Mountain Lodge and the Forest Service Park.

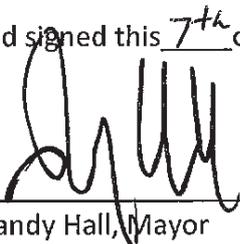
9. Snowmelt shall extend to curb-line at entrances and exits of building.
10. The recommendations of the City Engineer and of Ryan Hales of Hales Engineering with regard to traffic circulation in and out of the porte-cochere shall be followed. These recommendations are outlined in the memo from Hales Engineering titled "Ketchum – Bald Mountain Lodge TIA/1st Street Review" dated April 14, 2010.
11. Right-of-way encroachments, right turn lane and curb line alignment, slope and drainage, and sidewalk widths shall be resolved to the satisfaction of the City Engineer, Street Department and Fire Department prior to the issuance of a building permit.

Additional Requirements

12. The project shall, at a minimum, meet the requirements of and receive LEED Certification as outlined by the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Program. In addition, the project shall meet or exceed the minimum requirements set forth in the currently adopted version of the International Energy Conservation Code (IECC). These requirements shall be outlined in the development agreement for this project.
13. A construction staging and mitigation plan, including at a minimum provisions for off-site employee parking, off-site storage of bulk materials, and required ROW encroachments during construction, shall be submitted and approved by the Ketchum Building Department prior to building permit approval.
14. The proposed encroachments into the public street rights-of-way shall be allowed:
 - All marquees may extend into the public right of way as permitted through design review.
15. All water, sewer and other utility main lines, service lines, manholes and fire hydrants shall be maintained or improved as required by the Ketchum Water and Sewer Department.
16. The proposed development shall be completed substantially as presented in the plans dated April 8, 2010, as altered by relevant conditions of approval, and as set forth in the Planned Unit Development agreement. The PUD Development Agreement shall include the conditions herein, and other pertinent details from these Findings of Fact.
17. This PUD CUP approval is contingent upon the approved Community Core Design Review application, findings of fact dated March 22, 2010.

18. Applicant agrees to collaborate and participate financially with the City and other property owners on a gateway design, commissioning, construction and installation (as outlined for Hotel Ketchum in the development agreement dated November 17, 2008) for the intersection of Main St and River St.
19. The property shall be maintained appropriately per City code until construction commences. This shall include noxious weed mitigation and irrigation of existing landscaping.
20. A Design Review Subcommittee shall be established through the development agreement for the project, as recommended in condition #8 of the design review findings of fact for Bald Mountain Lodge.
21. These conditions and other project details outlined in these findings of fact shall be numerated in the development agreement for this project.
22. Upon issuance of building permit, applicant shall provide financial assurances, in the form of letter of credit, bonds or similar instruments to demonstrate to the City their ability to complete the permitted construction.
23. To reduce the appearance of building bulk, the upper floor steel diagonal columns shall be made vertical, subject to Design Review Subcommittee approval.
24. Applicant to provide a 'comfort letter' from its proposed project lender prior to execution of the development agreement. Such letter should memorialize any existing relationship between applicant and lender, and the lender(s)' interest in financing the project subject to market conditions and lenders' internal credit underwriting policies.

Findings of Fact **adopted** this 7th day of June, 2010 and signed this 7th of June, 2010.



Randy Hall, Mayor

**Attachment H:
Comments**

Rebecca Bundy

From: Jim Latta <JimL@idahobankingco.com>
Sent: Wednesday, March 06, 2013 9:45 AM
To: PZ Comments
Subject: Bald Mountain Loge LLC modification to approved PUD

I represent Idaho Banking Company, which owns the Gateway center bound by Highway 75 between River Street and Trail Creek.

We believe a hotel on the Bald Mountain Lodge site will help the economy of Ketchum, and this property is an excellent location for a new hotel site. Unfortunately the economics driving a hotel require additional revenue; hence we support the change from residential units to additional hotel rental units.

Thank you

Jim Latta
President & CEO
Idaho Banking Company
direct: (208) 472-4702
fax (208) 947-1875
NMLS# 802290

Rebecca Bundy

From: Brian Christiansen
Sent: Friday, March 01, 2013 11:18 AM
To: Rebecca Bundy
Subject: RE: Bald Mountain Lodge PUD Amendment

No additional comments from Streets.

Brian

From: Rebecca Bundy
Sent: Thursday, February 28, 2013 3:25 PM
To: Mike Elle; Brian Christiansen; 'Garth McClure' (Garth@bma5b.com)
Cc: Lisa Horowitz
Subject: Bald Mountain Lodge PUD Amendment

We have an application for a relatively minor amendment to the Bald Mountain Lodge PUD. They are proposing to convert the entire fourth floor from residential units to hotel rooms. (There are no proposed changes to the building's exterior.) This results in one additional required parking space, possible changes to the community/employee housing requirements and, possibly, some additional traffic impact. Attached are the original and proposed fourth floor plans and the PUD City Council Findings of Fact approving the project. I will forward on the revised traffic study when we receive it.

This will go before the Commission on March 11, so the staff report is due on March 6. Please let me know if you have comments or questions.

Garth – please forward to the appropriate person at Benchmark Associates.

Thank you!

Rebecca F. Bundy

Associate Planner, City of Ketchum
480 East Avenue North
P.O. Box 2315
Ketchum, Idaho 83340
t: 208.727.5082 - direct
o: 208.726.7801
f: 208.726.7812
www.ketchumidaho.org

Rebecca Bundy

From: Mike Elle
Sent: Friday, March 01, 2013 11:24 AM
To: Rebecca Bundy
Subject: RE: Bald Mountain Lodge PUD Amendment

The final design will require detailed Building Permit review for compliance with Fire Code requirements however this change does not affect the fire department. No issues with the proposed change.

Mike Elle
Chief of Fire and
Emergency Medical Services

Ketchum Fire Department
P.O. Box 966
480 East Avenue North
Ketchum, Idaho 83340

(208)726-7805 Office
(208)726-7812 Fax

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Thank you!

Rebecca F. Bundy

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EASTERN SUPERVISORY AREA

Jerome Office
324 South 417 East
Jerome, ID 83338
Phone (208) 324-2561
Fax (208) 324-2917
name@idl.idaho.gov



STATE BOARD OF LAND COMMISSIONERS

C. L. "Butch" Otter, Governor
Ben Ysursa, Secretary of State
Lawrence G. Wasden, Attorney General
Brandon Woolf, State Controller
Tom Luna, Sup't of Public Instruction

March 11, 2013

Joyce Allgaier, AICP
Planning Manager
City of Ketchum
P.O. Box 2315
Ketchum, ID 83340

sent via e-mail to JAllgaier@ketchumidaho.org

RE:

- 1. Bald Mountain Lodge LLC - An Amendment to the Approved Planned Unit Development Amended Lot 1A, Block 20 - 151 South Main Street, Ketchum, ID Section 18 T4N R18E BM**
- 2. RGSV LLC – To Rezone from Limited Residential One Acre (LR-1) to Limited Residential (LR) for Lot 1 Block 4 River Glen Subdivision and Lot 14 Mortgage Row Subdivision, Ketchum, ID Section 19 T4N R18E BM**

Dear Ms. Allgaier:

Thank you for the opportunity to review and comment on the applications as listed above.

As you may know, Idaho Department of Lands' (IDL) mission is to manage State Endowment Trust Lands (Endowment Lands) in a manner that will maximize long-term financial returns to the Beneficiary Institutions. The IDL mission is a constitutional mandate and is overseen by the State Board of Land Commissioners. Endowment Lands are not managed for the public at large and should not be referred to as "public lands" or "open space," either specifically or in a generic sense. These are working lands producing revenue for the Beneficiary Institutions.

IDL has reviewed the public hearing notice provided by the City of Ketchum for the requests as listed above. Based on the documentation provided to IDL, the applications will not impact Endowment Lands at this time. Should the applications be modified during the review or approval process, IDL requests that updated information be submitted to the Eastern Area Office for additional review.

Thank you again for the opportunity to review and comment on these applications. Please contact our Eastern Area Manager Pat Brown at (208) 525-7167 if you have questions or need more information.

Sincerely,

Julianne Shaw
Assistant Planner

cc: Patrick A. Brown, Eastern Area Manager
Meribeth Lomkin, Lands Resource Spec, SR-Lands
Kate Langford, Strategic Business Analyst – Planning



"Trusted Stewards of Idaho's Resources, From Main Street to Mountaintop"