

# **RIVER RUN ANNEXATION AND DEVELOPMENT AGREEMENT**

**By and Between**

**CITY OF KETCHUM**

**And**

**SUN VALLEY COMPANY**

## **Exhibit R Annexation Findings**

Prepared for: Sun Valley Company  
1 Sun Valley Road  
Sun Valley, ID 83353

Prepared by: Design Workshop, Inc.  
1390 Lawrence Street  
Suite 200  
Denver, CO 80204

July 9, 2010

## Exhibit R - Annexation Findings

### FINDINGS, DECISION, AND CONDITIONS: RIVER RUN NEIGHBORHOOD ANNEXATION, COMPREHENSIVE PLAN AND ZONING

#### CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO PUBLIC HEARINGS:

December 8 and 9, 2009

January 13, 2010 (hearing was noticed but cancelled),

February 11, March 9, April 12, 13, 21, and 22, 2010

- PROJECT:** River Run Neighborhood Annexation, Comprehensive Plan, and Zoning
- FILE NUMBER:** 09-068
- OWNER:** Sun Valley Company
- REQUEST:** Approval of a request for Annexation, Comprehensive Plan Map Designation(s) and Zoning Designation(s) for 138.2 acres. The project is also requesting approval of a Planned Unit Development - Conditional Use Permit (PUD) for a 19.0-acre subarea within the property known as the "Hotel Core", the focal point of the proposed development plan in the River Run Neighborhood.
- LOCATION:** The Sun Valley Company property is portions of Government Lot 6 in Section 18, Township 4 North, Range 18 East, Governmental Lots 1 and 2 of Section 19, Township 4 North, Range 18 East, and the NENE of Section 24, Township 4 North, Range 17 East, Boise Meridian, Blaine County, Idaho, containing approximately 138.20 acres. The property is generally known as River Run.
- APPLICATION MATERIALS:** Complete Applicant Submittal dated August 11, 2009, and supplemented by letter dated September 4, 2009.
1. River Run Annexation and Zoning Designation and PUD Application, August 2009 binder containing:
    - Application
    - Project Team
    - Introduction
    - Context and Boundary
      - Figure 1, Property Context
      - Figure 2, Property Boundary
    - Existing Conditions
      - Figure 3, Existing Zoning
      - Figure 4, Existing Easements
      - Figure 5, Existing Public Use
      - Figure 6, Existing Utilities

## Exhibit R - Annexation Findings

- Figure 7, Existing Site Conditions
  - Annexation/Zoning Designation
    - Figure 8, Annexation Map
    - Figure 9, Proposed Zoning Designation
  - Conceptual Site Plan
    - Figure 10, Conceptual Site Plan
    - Figure 11, Land Use Diagram
    - Figure 12, PUD Concept Plan
    - Figure 13, Proposed Public Use
    - Figure 14, Proposed Roads
    - Figure 15, Proposed Utilities
    - Figure 16, New and Relocated Easements
  - PUD Application
    - Figure 17, Tent Diagram and Tent Coverage
2. River Run Annexation and Zoning Designation Application, Exhibits, August 2009 binder containing:
- Exhibit 1: Legal Description
  - Exhibit 2: PUD Legal Description
  - Exhibit 3: Title Report
  - Exhibit 4: Title Report - Legal Instruments
  - Exhibit 5: Transportation Study
  - Exhibit 6: Preliminary Environmental Report
  - Exhibit 7: Avalanche Hazard and Mapping Report
  - Exhibit 8: Preliminary Geotechnical Evaluation Report
  - Exhibit 9: Fiscal Impact Analysis:
    - River Run Fiscal Impact Analysis, August 3, 2009
    - River Run Economic Analysis, February 2, 2010
  - Exhibit 10: 2009 Preliminary Base Flood Evaluation
3. Plans consisting of Sheets:
- 1.0 Cover Sheet
  - 2.0 Site Survey
  - 3.0 Existing Conditions
  - 4.0 Existing Slopes
  - 5.0 Floodway, Floodplain, Wetlands
  - 6.0 Existing Zoning
  - 7.0 Proposed Annexation and Zoning Designation
    - (See Addendum #11 for Sheet 7.1 - Amendment)
    - (See Addendum #12 for Fig. 43, Sheet 7.1 - Amendment)
  - 8.0 Proposed Land Use
  - 9.0 Land Use & Grading Plan
  - 10.0 Conceptual Site Plan
  - 11.0 Proposed Utilities
  - 12.0 Proposed New & Relocated Easements
  - 13.0 Proposed Roadway Drainage Plan
  - 14.0 Major Vehicle Circulation & Road Cross Sections

## Exhibit R - Annexation Findings

- 15.0 Large Block Plat
  - (See Addendum #11 for Sheet 15.1 - Amendment)
  - (See Addendum #12 for Fig. 44, Sheet 15.1 - Amendment)
- 4. River Run Annexation and Zoning Designation Application
  - Addendums:
    - Addendum #1, dated October 9, 2009: Text;
      - Figure 18, Public Improvement Sequencing;
      - Figure 19, Detail Diagram;
      - Figure 20, PUD Detail Diagram;
      - Figure 21, Revised Tent Diagram;
      - Figure 22, Tent Diagram Section
    - Addendum #2, October 20, 2009:
      - Figure 23, Revised Tent Diagram (with square footages);
      - Figure 24, Tent with Square Footages on Plan and Setbacks
    - Addendum #3, October 23, 2009:
      - Figure 25, River Run Parking Requirements
      - Figure 26, Comparable Properties Parking Comparisons (6 pages)
    - Addendum #4, October 29, 2009
      - Figure 27, Revised Sequencing Table (3 pages)
      - Figure 28, Updated Road Phasing
    - Addendum #5, November 4, 2009
      - Hornberger + Worstell, Inc., Letter dated November 3, 2009, together with 2009-11-03 Design Standards Conditions (applicant mark-up) (17 pages)
        - Figure 29, Conceptual Massing Model
        - Figure 30, Example Section Along Big Wood River with Maximum Height Shown
        - Figure 31, Tent Diagram Plan (with Conceptual Building Forms Shown)
    - Addendum #6, November 17, 2009
      - Figure 32, Tent Diagram with Dimensions
      - Figure 33, Design Guidelines Illustration 01
      - Figure 34, Design Guidelines Illustration 02
      - Figure 35, Aerial Site Plan with Buildings
      - Figure 36, Aerial Site Plan with River Setback Zones
      - Figure 37, Setback Diagram (with Conceptual Building Forms Shown)
    - Addendum #7, November 17, 2009
      - Figure 38, Park on the River Concept Plan
    - Addendum #8, November 23, 2009
      - Figure 39, Revised Bike Trail Alignment
    - Addendum #9, December 14, 2009
      - McMillen, LLC, Memo dated December 7, 2009, response to Stumph Memo (November 22, 2009)

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Addendum #10, December 29, 2009

Figure 40, Updated Design Guidelines Diagram

Addendum #11, February 18, 2010

Sheet 7.1, Amended Proposed Zoning

Sheet 15.1, Amended Large Block Plat/Zoning

Addendum #12, April 2, 2010

Figure 43, Sheet 7.1, Amended Proposed Zoning

Figure 44, Sheet 15.1, Amended Large Block Plat-Zoning

Addendum #13, April 7, 2010

Figure 45, Tent Diagram Relative to Known Elevation

Addendum #14, April 19, 2010

River Run Fiscal Impact Study: Sensitivity Analysis - Hotel Timing  
(11 pages)

Addendum #15, April 26, 2010

Figure 46, Size of Development Parcel D

Addendum #16, April 26, 2010

Figure 47, N2 Parcel

5. Additional Applicant Submittals:

River Run Water /Sewer/Irrigation Audit, prepared by Benchmark Associates, dated November 9, 2009 (found in "Water Audit" tab in Council binder)

### NOTICE OF COUNCIL MEETINGS:

#### Notice provided for the December 8 and 9, 2009 City Council hearings:

1. Notice published in the Idaho Mountain Express on November 8 and November 25, 2009
2. Property owners within 600 feet were mailed notice on November 20, 2009
3. Agencies and political subdivisions were mailed notice on November 20, 2009
4. Notice was posted at three (3) places on the subject property on November 27, 2009
5. Notice was posted at three (3) places within the Ketchum city limits on November 20, 2009
6. Display ad published in the Idaho Mountain Express on December 5, 2009

#### Notice provided for the January 13, 2010 City Council hearing:

The City Council continued the public hearing on the record from December 9, 2009, to January 13, 2010.

Agencies and political subdivisions were re-mailed a courtesy notice on December 16, 2009

*Note: This meeting was cancelled.*

#### Notice provided for the February 11, 2010 City Council hearing:

1. Notice published in the Idaho Mountain Express on January 27, 2010
2. Property owners within 600 feet were mailed notice on January 26, 2010
3. Agencies and political subdivisions were mailed notice on January 26, 2010

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4. Notice was posted at three (3) places on the subject property on January 28, 2010
5. Notice was posted at three (3) places within the Ketchum city limits on January 25, 2010
6. Display ad published in the Idaho Mountain Express on February 10, 2010

### Notice provided for the March 9, 2010 City Council hearing:

The City Council continued the public hearing on the record from February 11 to March 9, 2010.

Display ad published in the Idaho Mountain Express on March 3, 2010.

### Notice provided for the April 12 & 13, 2010 City Council hearings:

1. Notice published in the Idaho Mountain Express on March 24, 2010
2. Property owners within 600 feet were mailed notice on March 25, 2010
3. Agencies and political subdivisions were mailed notice on March 25, 2010
4. Notice was posted at three (3) places on the subject property on March 30, 2010
5. Notice was posted at three (3) places within the Ketchum city limits on March 26, 2010
6. Display ad published in the Idaho Mountain Express on April 7 and April 9, 2010

### Notice provided for the April 21 & 22, 2010 City Council hearings:

The City Council continued the public hearing on the record from April 13 to April 21, and from April 21 to April 22, 2010

### **ATTACHMENTS TO ANNEXATION, COMPREHENSIVE PLAN AND ZONING STAFF REPORT TO KETCHUM PLANNING AND ZONING COMMISSION AND RECOMMENDATION BY COMMISSION:**

- ATTACHMENT 1: Comprehensive Plan Map 2, Land Use
- ATTACHMENT 2: Comprehensive Plan Analysis
- ATTACHMENT 3: Comprehensive Plan Map 6, Area of City Impact
- ATTACHMENT 4: Recommended Zoning and Conceptual Large Block Plat
- ATTACHMENT 5: Analysis of Zoning and Subdivision Codes (includes Employee and Community Housing, Floodplain)
- ATTACHMENT 6: Agency and Department Comments
1. Idaho Power/Cyndi Bradshaw, dated September 9, 2009
  2. Forsgren Associates, Inc./Stephen R. Yearsley, P.E. City Engineer, dated September 22, 2009
  3. Blaine County School District/Mike Chatterton, dated September 23, 2009
  4. Ketchum Utilities Department/Steve Hansen, dated September 23, 2009
  5. Wood River Land Trust/Scott Boettger, dated September 23, 2009
  6. Blaine County Housing Authority/Kathy Grotto, dated September 24, 2009

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7. Ketchum Street Department/Christiansen, dated September 24, 2009
8. Roark Law Firm/Jim Phillips/Livestock Drive Users, dated September 24, 2009
9. Blaine County Recreation District/Keating, dated September 25, 2009
10. Ketchum Parks and Recreation Department, dated September 29, 2009
11. Environmental Resource Center/Barry, dated October 1, 2009
12. Mountain Rides/Miller, dated October 6, 2009
13. Ketchum Fire Department/Elle, dated October 12, 2009
14. Blaine County Citizens for Smart Growth, dated October 21, 2009
15. Idaho Foundation for Parks and Lands, October 23, 2009, received November 2, 2009
16. Sawtooth Board of Realtors, dated October 27, 2009
17. Blaine County Planning and Zoning, dated October 27, 2009
18. Blaine County Housing Authority, dated October 28, 2009
19. River Run FAR Analysis, by PZ Commissioner Sam Williams, dated October 29, 2009
20. Sawtooth Environmental Consulting LLC/Trent Stumph, dated November 22, 2009 (found in "Environmental Report" tab in Council's binder)
21. Blaine County Recreation District/Keating, dated December 7, 2009
22. Blaine County Citizens for Smart Growth, dated December 7, 2009
23. Blaine County Commissioners, dated December 15, 2009
24. Blaine County School District, dated January 11, 2010
25. Blaine County Housing Authority, dated February 5, 2010
26. Randy Young, Updated Peer Review: River Run Fiscal Impact Analysis, February 5, 2010 (found in "Fiscal" tab in Council's binder)
27. Forsgren Associates, dated February 23, 2010
28. JUB Engineers, Tracy Ahrens, February 26, 2010 (found in "Water Audit" tab in Council binder)
29. Ketchum Utilities Department/Steve Hansen, March 5, 2010 (found in "Water Audit" tab in Council binder)
30. Arch Community Housing Trust, dated April 2, 2010
31. Blaine County Planning and Zoning, dated April 20, 2010
32. Idaho Department of Fish and Game, dated April 21, 2010
33. Mountain Rides, April 21, 2010
34. Blaine County School District, April 22, 2010
35. Blaine County Citizens for Smart Growth, April 26, 2010

### ATTACHMENT 7:

#### Written Public Comment:

1. Kevin Delaney/Harrison Place, dated October 14, 2009
2. Bruce Smith, dated October 26, 2009
3. Doug Brown/WREP, dated October 27, 2009
4. Oral Public Comment Summarized, dated October 27, 2009
5. Whitney Ellison (1) (2) (3), dated October 28, 2009
6. Anita Northwood, dated October 28, 2009

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7. Petition for Park, dated October 28, 2009
8. Oral Public Comment Summarized, dated October 28, 2009
9. Thomas Monge, dated October 29, 2009
10. Reed Humphrey, dated October 29, 2009
11. Sam Williams, FAR Analysis
12. Oral Public Comment Summarized, dated October 29, 2009
13. Whitney Ellison, dated October 30, 2009
14. Michael Skoglund, dated October 30, 2009
15. Bob Eastaugh, dated November 6, 2009
16. Sarah and Thomas Flint, dated November 7, 2009
17. Kevin Delaney, dated November 10, 2009
18. Marion Breeding, dated November 14, 2009
19. Reed Humphrey, dated November 16, 2009
20. Robert and Debbie Beye, dated November 16, 2009
21. Vern and Cheryl Rollin, dated November 21, 2009
22. Whitney Ellison, dated November 23, 2009
23. Greg and Ann Lyle, dated November 23, 2009
24. Whitney Ellison, dated November 24, 2009
25. Mike Taylor, dated December 7, 2009
26. Doug Brown, dated December 8, 2009
27. Jim Garrison, dated December 8, 2009
28. Dave Hanning, dated December 9, 2009
29. Bruce Kendall, December 20, 2009
30. Sarah Michael, dated January 2, 2010
31. John Flattery, dated January 5, 2010
32. Steven Wolper, dated January 7, 2010
33. Maya Burrell, dated January 12, 2010
34. Norman Shorts, dated January 13, 2010
35. Julie Dahlgren, dated February 1, 2010
36. Sarah Michael, dated February 7, 2010
37. Oral Public Comment Summarized, dated February 11, 2010
38. Bob Youngman, dated February 12, 2010
39. Dick Kelter, dated February 22, 2010
40. Bob and Gina Poole, dated March 8, 2010
41. Maya Burrell, dated March 9, 2010
42. Oral Public Comment Summarized, dated March 9, 2010
43. Elizabeth Schwerdtle, March 12, 2010
44. Maya Burrell, dated April 9, 2010
45. Michael and Christine Peck, dated April 10, 2010
46. Maya Burrell, dated April 12, 2010
47. Oral Public Comment Summarized, dated April 12, 2010
48. Maya Burrell, dated April 13, 2010
49. Jima Rice, dated April 13, 2010
50. Derek Ryan, dated April 13, 2010
51. Bob Poole, dated April 17, 2010

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- 52. Maya Burrell, dated April 20, 2010
- 53. Sun Valley Petitions, dated April 20, 2010
- 54. Jack Bariteau, April 21, 2010
- 55. Steven Wolper, April 21, 2010
- 56. Oral Public Comment Summarized, dated April 22, 2010
- 57. Colin Jensen, April 23, 2010
- ATTACHMENT 8: Ketchum Staff Recommendation to Planning and Zoning Commission on Public Improvement Sequencing
- ATTACHMENT 9: Ketchum Draft Annexation and Development Agreement to Planning and Zoning Commission
- ATTACHMENT 10: Ketchum Planning and Zoning Commission Findings and Recommendation on Annexation, Comprehensive Plan and Zoning, dated November 10, 2009
- ATTACHMENT 11: Matrix Memo, Horowitz to Mayor and Council, November 20, 2009
- REVIEWERS:** Lisa Horowitz, Community and Economic Development Director  
Stefanie Leif, Planning Manager

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**Regulatory Taking Notice: Applicant has the right, pursuant to section 67-8003, Idaho Code, to request a regulatory taking analysis.**

### **A. PROJECT DESCRIPTION:**

The Applicant requested (1) annexation of the approximate 140-acre property, (2) designation of the Ketchum Tourist Zoning District to apply upon annexation, (3) Planned Unit Development (PUD) approval for the 19-acre Hotel Core, and (4) text amendment to the Tourist Zoning District to change certain uses from conditional to permitted.

The focal point of the approximate one hundred forty (140) acre River Run Neighborhood is proposed to be the Hotel Core with a full service destination hotel of 150-200 rooms and amenities such as a spa and fitness facility, destination restaurant, meeting space, grand lobby, and outdoor pool and hot tubs. Approximately thirty-five thousand (35,000) square feet of new retail space, including the restaurant, is planned to serve the tourist industry and this base area. The Hotel Core and other areas of the River Run property may also include health, wellness and medical offices related directly to sports medicine or a training center, property management office, resort management offices, mountain operations offices and real estate sales facilities related to resort sales as described in conditions below and addressed in detail in the Annexation and Development Agreement. The Hotel Core is generally defined by the Big Wood River to the west, residential development on property owned by the Applicant to the east, and the ecological park to the south. Approximately five hundred twenty (520) residential units in the form of condominiums, townhomes, duplexes, and single family cabins are proposed in higher densities adjacent to the Tourist Zone inside the current city limits, feathering to lesser density generally south of Trail Creek with the lowest density south of the

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Wood River Trail in the southern portion of the River Run Neighborhood, which is also known as Area D in the Application on Figures 10 and 11 and known as R-2 in Addendum #1 on Figure 19, in Addendum #4 on Figure 28, and Addendum #8 on Figure 39. The approved zoning is represented in Table 1 and in Addendum #12 on Figures 43 and 44.

The Neighborhood includes areas for bus and private vehicle skier drop off and pick up. The main Wood River Trail will be re-routed through the project; however, it will continue to connect at the existing points at the north and south ends of the property. The new nature trail system, along with an ecological park, will promote public access while protecting natural resources on the property. The plan is designed to accommodate a future gondola connection to downtown Ketchum and/or Sun Valley Resort should that be found feasible. Multi-season recreation activity such as snow sports, hiking, fishing, and biking is expected to be advanced with the project.

The Annexation and Zoning Application requests Tourist Zoning for the entire parcel. A text amendment to the Tourist District proposes to allow off-street parking and recreation uses as permitted rather than conditional uses (as they are currently in the Code). The Planning and Zoning Commission recommended, and the Council agreed, to allow off-street parking and recreation uses to be permitted through the Annexation and Development Agreement for this specific parcel of land, rather than amending the text of the Zoning Code to apply to all land zoned Tourist District. The finding was made that other areas in the City may not be as appropriate for off-street parking and recreation uses to be permitted without the prerequisite conditional use public hearing and evaluation process. The Application materials include, but are not limited to, a conceptual site plan, land use diagram, and a PUD concept plan as well as multiple sheets illustrating existing conditions, including wetlands and floodplain, and conceptual proposed grading, road network and utilities. Addendum materials from the Applicant include additional information requested by the Planning and Zoning Commission and the Ketchum City Council; clarification of proposals; various additional figures demonstrating the height waiver request; potential square footage of development; setbacks; parking; modified public improvement sequencing; PUD and tent diagram revisions; parking requirements comparisons; massing model, design guidelines, and fiscal sensitivity analysis. All materials submitted by the Applicant are listed above.

The PUD Application materials include requests for waivers of road right of way (ROW) dimensions, paving widths, curb/gutter requirements and height for the hotel within the Hotel Core. The Applicant agreed during Commission meetings to compliance with City standards including 60-foot ROWs for all roads with the ability to potentially reduce the standards during the City's consideration of specific development plans. To demonstrate the height waiver, the PUD Application contains a tent diagram and coverage exhibits that were later clarified by addendum materials, specifically Addendums #1 and #2 on Figures 20 – 24, Addendum #5 on Figures 29 and 31, Addendum #6 on Figures 32 and 37 and Addendum #13 on Figure 45.

The large block plat was proposed to contain 2 blocks; 1 for the hotel core and 1 for the balance of the property. The Planning and Zoning Commission recommended creating additional blocks in part to more clearly define zoning and to identify uses within the specific

## Exhibit R - Annexation Findings

areas of the property. The large block plat is discussed more fully below. Finally, an Annexation Development Agreement is proposed to address the request for waivers to the street ROWs, paved widths, off-street parking and curb/gutter requirements outside of the Hotel Core in the balance of the River Run Neighborhood, as well as other issues and conditions related to annexation and development of the property.

### **B. OVERVIEW OF THE PROCEDURE FOR THE REQUESTED APPLICATIONS:**

The Sun Valley Company has requested (1) annexation of the approximate 140-acre property, (2) designation of the Ketchum Tourist Zoning District to apply upon annexation, (3) PUD approval for the 19-acre Hotel Core, and (4) text amendment to the Tourist Zoning District to change certain uses from conditional to permitted.

The Ketchum Planning and Zoning Commission, as required by Idaho Code and Ketchum Code:

- (1) determined that no changes to the Ketchum Comprehensive Plan and Land Use Map are necessary to accommodate the recommended zoning upon annexation, and
- (2) determined that no zoning text and/or map changes are necessary to reflect the zoning district(s) found appropriate. Further, it was found appropriate to allow modifications to uses permitted and conditional within certain blocks through the conditions of approval and Annexation and Development Agreement.

According to Ketchum Code, the Planning and Zoning Commission also:

- (3) reviewed and made a recommendation to the Council regarding the development agreement associated with an annexation, and
- (4) reviewed and made a recommendation on the PUD application.

In considering the various parts of the Application and responsibilities of the Planning and Zoning Commission, the Commission kept in mind what conditions of approval or changes to the plan, if any, would be necessary to make the requisite finding that the Applications are in conformance with the Comprehensive Plan and that the Zoning Districts recommended to apply are appropriate. Those conditions or changes to the plan were recommended for inclusion within the Annexation and Development Agreement and are reflected in the Attachment 10, Planning and Zoning Commission's recommendation dated November 10, 2009, to the Ketchum City Council.

No design review applications were made because the hotel and other contemplated tourist industry-related facilities and accommodations have not yet been designed. However, several tent diagram and tent coverage figures and exhibits were included with the PUD Application to illustrate the request for waiver to the height limits related to the hotel complex that may be granted through the PUD process. Addendum #1, Figures 21 and 22; Addendum #2, Figures 23 and 24; Addendum #5, Figures 29, 30, and 31; Addendum #6, Figures 32, 33, 34, and 37 represent the evolution of materials considered by the Commission in making its recommendation regarding height of buildings. The road network shown within the project is illustrative and does not represent final alignments. The road alignments within each of the blocks will be specified prior to resubdivision and/or at design review of any part of the project.

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The cross sections shown on Sheet 14, however, demonstrate the requested waivers related to ROW and paving widths and curb/gutter requirements. The Applicant represented to the Commission that all roads will meet City standards until such time as waivers are specifically requested by the Applicant and considered by the Commission/Council at the time of resubdivision and/or design review of development in any block. Council found that the widths of ROW, paving and inclusion of curb, gutter and sidewalk for Serenade Land, Third Avenue and Second Avenue are appropriate to meet City standards. All other roads may be considered for waiver of City standards upon more specific design of the road system.

While the master plan for the property and the PUD Application for the Hotel Core are conceptual, the Planning and Zoning Commission made specific recommendations on items (1) Comprehensive Plan and (2) Zoning, more generalized recommendation on (3) Development Agreement, and a recommendation on (4) PUD, focusing primarily on the requested waiver to height of the hotel complex. Some or all of the remaining requested waivers were addressed by the Commission by either recommending approval, or deferring final consideration and action at future more detailed design or subdivision evaluation. The Standards of Evaluation contained in Ketchum Code 16.08.080 were utilized to the extent possible given the nature of the application for PUD. The same Standards will be applied to future applications for subdivision and/or specific plans for buildings, roads and other improvements.

Consideration and approval of the request for waiver to the height limitation for the hotel based on the tent diagram, land uses, conceptual site plan, and other master plan materials allow the Applicant to proceed to more specific design phases for the hotel and ultimately more detailed plans for Design Review.

While a large block plat was proposed with just two (2) blocks, the zoning designations recommended for the various uses, site conditions, and topography within the larger parcel necessitate the creation of additional blocks. Due to the conceptual nature of the request for general land use and specific zoning approval, the Commission recommended that the "large block plat" be considered pre-preliminary (see Attachment 4: Recommended Zoning and Conceptual Large Block Plat) and utilized as a tool to identify zoning districts and as an exhibit in conjunction with the "master plan" for the property. The Large Block Plat was revised to reflect the recommended zone designations as well as setbacks that resulted from the Commission and Council's consideration of the Application. Addendum #12, Figure 43, Sheet 7.1, Amended Proposed Zoning and Figure 44, Sheet 15.1, Amended Large Block Plat - zoning and Addendum #16, figure 47, N2 Parcel reflect the acceptance by the Council.

Ultimately, following Ketchum City Council approval of the annexation request, the following ordinances are required:

- Ordinance of Annexation of real property.
- Ordinance amending the Comprehensive Plan Land Use Map to modify the City limits shown on the map.

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- Ordinance amending the Zoning Map to modify the City limits shown on the zoning map and to apply the various zoning districts to the property according to Addendum #12, Figure 43, Sheet 7.1.

The Council and Applicant will also enter into an Annexation and Development Agreement that is discussed more fully below.

### **C. ANNEXATION:**

Annexations are governed by Idaho State Code. This statute, Idaho Code 50-222, provides for three categories of annexation that relate to whether or not the property owner is voluntarily requesting the annexation. This annexation is a VOLUNTARY annexation request. Voluntary annexations then follow the procedures of Idaho Code Chapter 65, Title 68, which is the Local Land Use Planning Act.

As has been described to the Ketchum Planning and Zoning Commission and City Council by legal counsel, annexations are a legislative action. The entire project was viewed as a package as any aspect of the proposal could impact the Council's opinion regarding the annexation request.

The Council received a recommendation from the Planning and Zoning Commission on Comprehensive Plan and Zoning, which includes consideration of Overlay Districts, before it considered the request for annexation. Finding it in the best interests of the City of Ketchum, the decision to annex was made by the City Council and its final determination on the Comprehensive Plan, Zoning, and Annexation is memorialized in this document. The City Council's decision with regard to the PUD and the final Annexation and Development Agreement will be separate documents.

Pursuant to Ketchum Code, Chapter 17.154, Development Agreement Zoning, it is appropriate to enter into an Annexation and Development Agreement that address issues related to the development of the River Run Neighborhood including but not limited to the following:

- Identification of zoning for the property;
- Modification of uses within certain zoning districts;
- Community and employee housing;
- Recreation, open space, and environmental concerns;
- Fiscal and financial impacts on the City;
- Sequencing of development;
- Utilities, streets and other public infrastructure improvements and,
- Ability to review the Agreement and renegotiate terms when found mutually beneficial.

## Exhibit R - Annexation Findings

### 1. Fiscal/Financial

Analyses. The Applicant submitted the River Run Fiscal Impact Analysis, prepared by RRC Associates, Inc., and dated August 3, 2009, with the original application in Exhibit 9. Randy Young of Henderson, Young & Company peer reviewed the Analysis on behalf of the City and posed a number of questions back to the Applicant and RRC Associates. Questions were also posed by the City Council during their review of the fiscal documents. Responding to those questions, the Applicant submitted the River Run Economic Analysis, prepared by RRC, and dated February 2, 2010 found in Exhibit 9.

At the February 11, 2010 Council meeting, Randy Young presented his updated peer review of the RRC Economic Analysis dated February 2, 2010. The PowerPoint presentation is found in Attachment 6: Agency/Department Comments and the "Fiscal" tab in the Council's binder.

The conclusions from the fiscal and economic analyses and the peer review allowed the City Council to understand the short and long-term fiscal impacts of the annexation and development of River Run over the period of years from 2010 - 2024 (during development) and annual on-going beginning in 2024 (after build-out). It is important to note that these fiscal impacts are built on a series of timeline and sales price assumptions, laid out in the documents. The fiscal impact summary by RRC indicated that there would be a net benefit to the City of Ketchum as well as the Urban Renewal Agency for both time periods. The inclusion of the River Run property within the Urban Renewal District was part of the fiscal impact analyses and peer reviews.

Sensitivity Analysis. Construction of the hotel is a priority to the City; however, the Applicant expressed the inability to set a timeline much less guarantee when the hotel will be built due to the overall economic climate. From the initial application materials and throughout the evaluation process, the Applicant has indicated that development is dependent upon market demand and financing availability. The Council requested and received Addendum #14, April 19, 2010, "Fiscal Impact Study: Sensitivity Analysis-Hotel Timing" from the Applicant. This analysis shifted the start of residential project construction out 2 years and construction of the hotel was pushed out to the very end of project build-out. The result was that the project remains positive in every year. City staff and its consultants agreed with the conclusions reached in the sensitivity analysis.

URA. The benefits of including the River Run property in the Urban Renewal District may most simply be described as "when the land within the District improves through investment and development, more investment throughout the rest of the city occurs and everyone grows". In other words, the incremental investment through the URA creates more value in the rest of the District and the rest of the City that is not within the District.

Other taxing districts will continue to receive their share of taxes based on the basis year, or the value at the time the land is formally included within the Urban Renewal District. The incremental increase of tax revenue occurs after the first year as a result of annexation, zoning and development. It is that increase that is diverted to the URA. While the other taxing

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districts will not receive the incremental increase during the time the URA is using those revenues to leverage funds for public improvements, they will receive that increase after bonds or other instruments of the URA are retired. In the mean time, benefits will continue to accrue over time with the increase in city values as a result of the investment and development occurring in River Run. It was noted that the funding of the School District in particular is not based on tax revenue since the State legislature made changes several years ago. As a result the School District is unaffected by the inclusion of the River Run property in the URD.

The Council agreed that the River Run property should be included in the Urban Renewal District finding that the incremental increase in revenue from this inclusion shortly after annexation would allow value to begin accruing immediately. A considerable amount of value may be accrued by the time the parking structures or other public improvements such as sewer, water, and roads that qualify are in line and ready for construction. Recognizing neither the debt of the URA nor the extension of debt service beyond the life of the URA are city liabilities, the Council found this mechanism is a reasonable public-private approach to public infrastructure. However, it was noted that use of URA funds for parking structure(s) should be accompanied by a parking management plan for downtown.

The Council recommended that fifty percent (50%) of the URA increment from this property be ear-marked for parking structures or other qualified public infrastructure at River Run and the other fifty percent (50%) should be used at the discretion of the URA. The philosophy of City Council regarding the Urban Renewal District and Agency funds will be included in the Annexation and Development Agreement.

Other Funding Mechanisms. Other means for funding public improvements are through local improvement, community improvement district, or business improvement districts. In this case, the "district" would be the River Run property itself, thereby providing funds assessed on that property alone without burdening any other land owner. The Council agreed that one or more of these financing structures could be an appropriate way for the City to enable the River Run property to pay for public improvements.

Local Option Tax. Local Option Taxes (LOT) will begin accruing to the City upon annexation of the property. In addition, the Applicant agreed that it will continue to sell lift tickets and season passes from locations within the River Run area and elsewhere in the City so that the LOT revenue from the lift tickets can be realized by the City.

Real Estate Transfer Fee (RETF). Initially, the Applicant proposed that a Real Estate Transfer Fee should be used to develop and maintain the Ecological Park. Later, the Applicant indicated the Applicant will own the land, develop the Park, and look to a private non-profit to operate the park through some funding mechanism. RETF funds accrued from initial sales and re-sales could be used for operations of the Eco-Park provided the non-profit chosen to operate is not associated with the City.

The Council found, as indicated in the discussions of active park space and community housing below, that three-quarters of one percent (0.75%) of the gross selling price of the sale of each

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lot or unit within the project shall be dedicated to either community housing in Ketchum or active park space. The Council agreed to a reduction to one-half of one percent (0.50%) upon the City and Applicant finding a mutually acceptable park site of three (3) acres or greater within three (3) years of execution of the Annexation and Development Agreement. The Council found that securing a larger active park site within that time frame off-set the amount the RETF would be reduced.

Impact Fees. The Applicant understood that all applicable development impact fees will be required at the time of issuance of all building permits.

School District. The Blaine County School District letter dated September 23, 2009 in Attachment 6; Agency/Department Comments requested that \$518,803 is required to offset the impacts to the District resulting from the development of River Run and the additional full time residents of the City. The District has developed a methodology to factor primary residents and second homeowners into their impact analysis, as outlined in their letter. Considering that the impacts will not be "felt" until development actually occurs, the Council found the following appropriate for the mitigation of this impact:

One-half of one percent (0.5 percent) of the 50% of the URA funds accrued from the River Run property brought into the Urban Renewal Agency (URA) to be committed to public infrastructure at River Run up to \$259,401.50; and

One-half of one percent (0.5 percent) of the 50% of the URA funds accrued from the River Run property in the URA to remain with the URA up to \$259,401.50.

Said funds shall be paid proportionately from the funds received from the River Run increment by the URA annually. In the event the Ketchum URA cannot or does not agree to provide the above-described funds to the School District, the School District and the Applicant should address the need described in the School District letter dated January 11, 2010 contained in Attachment 6, Agency/Department Comments. .

### 2. Annexation Fee

The Council finds it appropriate to waive the annexation fee in consideration for other benefits to the City including but not limited to the Applicant's willingness to grant the City a license for the collection of a real estate transfer fee.

### 3. Sequence of Development and Improvements

The River Run Neighborhood has been represented to be developed over a period of approximately 14 years with 2024 being anticipated as "build-out". However, the Applicant stated that market demand and availability of financial resources will dictate what parts of the development occur and when. While specific phasing of improvements ranging from infrastructure, to residential units, to the hotel itself was not possible at this juncture, the Applicant and the City identified general sequencing of the improvements through a series of

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considerations over the course of the hearing process. It should be noted that several sequencing exhibits exist in the record of the application; however, the sequencing exhibit which is found in Addendum #4, October 29, 2009, Figure 27, Revised Sequencing Table, is the exhibit that was recommended by the Planning and Zoning Commission and accepted by the Council.

Additional discussion and findings by the Council on various issues are found in "G. Annexation and Development Agreement" below.

### D. COMPREHENSIVE PLAN LAND USE DESIGNATION:

#### 1. Land Use Map:

The Applicant offers an analysis of relevant goals contained in the text of the Comprehensive Plan in the Introduction Section of the Application (pages 14-16), hereafter referred to as "Application". Bringing new property into the City limits through the annexation process requires it to be classified in one of the Land Use categories used in the 2001 Ketchum Comprehensive Plan. These categories are outlined in Chapter 4.2: Land Use Map and on Map 2, Land Use Map (Attachment 1), in the Comprehensive Plan. The purpose of the Comprehensive Plan Land Use Map is to ***"guide growth and development in Ketchum"***. Land Use Classifications have been identified for areas outside the City limits, including the River Run Neighborhood, to guide zoning decisions associated with applications for annexation.

The Comprehensive Plan Land Use Map identifies the River Run Neighborhood property with "Residential Occupancy" and "Recreation/Open Space" classifications. The Application does not request any land use designation(s) different from what are identified on the existing Land Use Map. The following excerpts from the Comprehensive Plan describe those land use designations:

**"Residential Occupancy - Area appropriate for housing of permanent and second home residents and selected short-term uses supporting the tourism industry."**

**"Recreation/Open Space - Area appropriate for open space preservation and/or primarily open recreation and areas over 25% slopes which are generally precluded from development."**

The land use classifications are defined in the Plan ***"with regard to primary uses"*** and found appropriate while not excluding ***"other uses determined to be compatible during the zoning process so long as the uses are consistent with the goals and policies of this Plan."***

The tourist-related uses proposed by the Applicant include:

- Plaza connecting new development with existing bridge over the Big Wood River and base mountain services
- 150-200 guest rooms in a high quality hotel with spa and meeting space
- Restaurants and retail sized to fit the needs of visitors, guests and residents

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- Condominium and other forms of residential use to provide a variety of guest accommodations
- Day skier parking, including parking structures in future phases
- Community Housing/Active park lands parcel

The open-space preservation or recreation-related uses proposed by the Applicant include:

- Preservation of stream corridors
- Ecological Park at the confluence of the Big Wood River and Trail Creek including interpretive facilities and trails
- Continuation of the existing base facilities and new mixed uses on the west side of the Big Wood River to support the Bald Mountain Ski Area
- Fishing/trail easement along the Big Wood River and Trail Creek
- Public access across the property to private and public lands
- Improved parking for access to Bald Mountain and Wood River Trails

The City currently has hotel and short-term occupancy uses in areas classified as Residential Occupancy, primarily in all areas zoned Tourist, at the Warm Springs Base Area, and at the former Warm Springs Golf Course. The City has designated Recreation/Open Space for the Bigwood Golf Course, for City parks (both developed and undeveloped), and for all hillside areas in public ownerships.

A simple amendment to the Comprehensive Plan is found appropriate to update the Land Use Map by retaining the existing Residential Occupancy and Recreation/Open Space classifications on the property to be annexed and by reflecting the change to the City limits to include the subject property.

Tourist, Recreation Use, and Agricultural and Forestry Zoning are found appropriate to accommodate the various more specific tourist industry-related, residential, and open space land uses proposed in the River Run Annexation and are found consistent with the land use classifications on the Land Use Map.

### 2. Comprehensive Plan Policies:

Idaho Code Chapter 67-6508 requires Comprehensive Plans to address a variety of topic areas. Chapter 16.12, Area of City Impact, Section 16.12.050: Applicable Plan Policies and Ordinances, A. Comprehensive Plan, states that the Ketchum Comprehensive Plan shall apply to the River Run Property. Attachment 2, the Analysis of the Comprehensive Plan, considers the relationship between the proposed annexation request and compliance with the Ketchum Comprehensive Plan goals, policies and statements of implementation.

From that analysis it is appropriate to conclude that no changes to Comprehensive Plan Policies or other text are necessary to support this annexation proposal. While many of the guidelines in the Plan have been followed, the analysis points out that several guidelines were not followed in the initial Application. Modifications to the Application made over the course of public hearings and during consideration by the Commission and Council have now addressed

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the initial short-comings. Specifically, the Applicant has agreed to provide housing for employees of the hotel as required in the Ketchum Code. A parcel known as "N2" together with the surrounding open space has been identified for either public, active open park space or community housing at the option of the City. Addendum #16, Figure 47, illustrates the location of N2 in its immediate vicinity and Addendum #8, Figure 39, illustrates the location of N2 in relation to the whole River Run and West Ketchum Neighborhoods. The N2 parcel could provide active park space in the near term until a larger parcel is secured for that use. At that time, N2 could be utilized for community housing or to satisfy another needed public use. Therefore, it is recommended that the project is in compliance with the Comprehensive Plan's guidelines subject to the conditions listed below

### **E. ZONING DESIGNATIONS:**

#### **1. Area of City Impact Agreement:**

Idaho Code Chapter 67-6527 provides for a negotiation process between cities and counties whereby the cities can identify an "Area of City Impact". Ketchum has four Areas of City Impact as shown on the map in Attachment 3. The City and County have an Area of City Impact Agreement from 1994 which outlines review authority and, in some cases, a future zoning designation in these four Areas of City Impact. The River Run Neighborhood property is designated as a portion of "Area IV". The request for annexation complies with Chapter 16.12 Area of City Impact, Section 16.12.040: Annexation, Area of Impact: "A. Annexation by the City shall be limited to those lands lying within its Area of City Impact. ...". The River Run property is shown on the adopted Area of City Impact Map. Further, the agreement lays out a process for how each jurisdiction should notify the other jurisdiction upon receipt of an application affecting this area.

The City complied with the requirements contained in Section 16.12.060: Processing of Land Use Applications in Ketchum's Area of City Impact. The full Application materials and opportunity to comment were provided to Blaine County on August 31, 2009. Notice of the Planning and Zoning Commission meetings of October 27, 28 and 29, 2009 was sent to Blaine County on October 8, 2009. Notice of Council hearings was sent to Blaine County as follows: on November 20, 2009 for meetings of December 8 and 9, 2009; on January 26, 2010 for meeting of February 11, 2010; and on March 25, 2010 for meetings of April 12 and 13, 2010. Continuations of hearings were made on the record.

The future zoning for the River Run area identified in the 1994 agreement in Section 16.12.050C.2.b. is Ketchum's Tourist (T) Zoning along with Section 16.12.050C.2.c. identifying Ketchum's floodplain regulations. Provided the zoning that is ultimately approved is in conformance with the general guidelines of the Comprehensive Plan and Land Use Map, the particular zoning districts need not reflect the exact T Zoning addressed in the Area of City Impact. Upon annexation of the property, the terms of the Area of City Impact will no longer apply to the River Run property.

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### 2. Underlying Zoning:

The Application contains the request for Tourist (T) zoning (Ketchum Code, Section 17.52.010) for the entire property (see Application page 45, Figure 9, Proposed Zoning Designation). The existing land uses on the subject property are limited to ski area base facilities on the west side and parking lots and access trails/driveways on the east side of the Big Wood River. A number of proposed new and relocated easements cross the property as shown on Sheet 12.0. The Wood River Trail runs along the former Union Pacific Railroad ROW through the middle of the property and is proposed for realignment. Following is an analysis by geographic area; the Planning and Zoning Commission recommendation on zoning (depicted on Attachment 4: Recommended Zoning and Conceptual Large Block Plat); and the Council's conclusions. The Council's approved zoning is depicted in Addendum #12 on Figure 43, Sheet 7.1, as modified by Addendum #15, Figure 46, Size of Development Parcel D. Specifically, the modification is an increase in the riparian setback along Trail Creek from 50 feet to 100 feet in Parcel D. That additional setback will be part of the adjacent RU zoning shown in Addendum #12 on Figure 43, Sheet 7.1.

a. Hillside. The hillside areas located generally west and south of the Big Wood River shall be subject to the Mountain Overlay District (MOD) regardless of the underlying zone applied in this area. The MOD (Ketchum Code Section 17.104) requirements in the zoning code apply in addition to the underlying zone. A preliminary analysis of the MOD standards is found in Attachment 5.

The hillside areas studied in the Snow Avalanche Hazard and Mapping Report by Mears, March, 2009, are the steep northeast-facing forested slopes southwest and west of, and above the Big Wood River contained within Blocks 3 and 7 of the Large Block Plat Amended (Addendum #12, Figure 43). The Report identifies blue and red hazard areas affecting those slopes with nearly flat run out zones across the river into the cottonwoods between the Big Wood River and Trail Creek contained within Block 3 (Addendum #12, Figure 43). The hazard zones also affect the slopes above the existing maintenance building on the south side of the Big Wood River in Block 7. The area of run out is proposed as part of the 14.3-acre Ecological Park on Figures 10 and 11, Conceptual Site Plan and Land Use Diagram (Application, pages 51 and 52). Avalanche hazard was taken into account at the time of construction of the maintenance building. This area is shown on the plans as part of the 6.7-acre "River Run Base Lodge" land use (Application, Figure 11) which has evolved into Block 7 on Addendum #12, Figures 43 and 44, Sheets 7.1 and 15.1, Amended Proposed Zoning and Amended Large Block Plat, respectively, and was recommended by the Commission and accepted by the Council as Tourist District.

The hillside area west of the existing River Run Base Lodge is identified as a 15-acre "Recreation" area on the Site Plan (Application, Figure 10) and Land Use Diagram (Application, Figure 11) and as Block 6 (Addendum #12, Figure 43) and contains the lower portion of the River Run ski run. This area is appropriately identified for recreation use. However, applying the Agriculture and Forestry (AF) Zoning District to this area is consistent with the steep slopes to the north known as River Run South Slopes and other hillsides in Ketchum that are zoned AF. The uses allowed in AF are consistent with ski area-related uses. These slopes were not part of

## Exhibit R - Annexation Findings

the Mears avalanche report; however, they are part of the controlled ski area with no development proposal as part of this Application. This area has evolved into Block 6 on Sheets 7.1 and 15.1, Amended Proposed Zoning and Amended Large Block Plat/Zoning, respectively, and was recommended by the Commission and accepted by the Council as AF Zoning.

The slopes indicated on Sheet 4.0 of the Application, created by natural benches in the topography, road construction, or stream incision, are appropriately not regulated by the Mountain Overlay District and are therefore not considered hillside for purposes of the Commission's recommendation and the Council's approval of zoning for the property.

The Zoning Districts to be applied to the hillside areas of the River Run Neighborhood are listed in Table 1 below.

b. Floodplain: Trail Creek and Big Wood River. The adopted FEMA-floodplain and the McMillen LLC site-specific floodplain are depicted on Sheet 5.0, Floodway Floodplain Wetlands, of the Application. The Applicant applied to FEMA for a Letter of Map Amendment (LOMA) on July 24, 2009. Since that time, FEMA issued "D-FIRMs" (Digital Flood Insurance Rate Maps) covering the City of Ketchum with the most recent data available that are expected to become official FEMA maps in spring of 2010. The 100-year flood plain, as it has been commonly referred to, is shown as the "One-percent (1%) Annual Flood Hazard Line" on the accepted large block plat (Addendum #12, Figure 43, Sheet 7.1, Amended Proposed Zoning and Figure 44, Sheet 15.1, Amended Large Block Plat - Zoning). This representation of the D-FIRM line has been substituted for the McMillen LLC site-specific line on these exhibits and will become the official boundary of the floodplain on the River Run property once the D-FIRMs have been adopted by FEMA. Please refer to Attachment 5 for the analysis of the Floodplain Management Overlay District.

A corridor of open space along the Big Wood River and Trail Creek, the Ecological Park, and other protections are proposed for most of the floodplain area. The floodplain is regulated by the Floodplain Management Overlay District (Ketchum Code Chapter 17.88). The uses in the underlying zone are allowed to the extent floodplain regulations are satisfied. Evaluation of specific development plans will allow for evaluation of impacts if development is proposed in the floodplain. The Commission recommended the RU Zone for the contiguous Open Space areas along the stream corridors and the Ecological Park that include the riparian setback areas. The Council accepted the Commission's recommendation that the Recreation Use (RU) zone shall be designated to coincide with the riparian setbacks. The Council also accepted the one percent (1%) annual chance flood hazard boundary that is specifically shown on Addendum 12, Figure 43, Amended Proposed Zoning, and as it is modified by Addendum #15, Figure 46, Size of Development Parcel D. Applicable use limitations are found in Table 1 below.

c. East and West of Trail Creek. Residential Areas shown on Figures 10 and 11, Conceptual Site Plan and Land Use Diagram (Application pages 51 and 52) are proposed for a variety of forms including condominium, townhome, duplex and single family cabin-type units conforming to densities in the T Zone.

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Residential Area A (16.9 acres) is defined generally by Second Avenue, the southerly townsite limit between Second and Third Avenues, and the southeasterly limit of what is known as West Ketchum and is bordered entirely by existing T Zoning within the current City limits. Area A is included in Block 2 (Addendum #12, Figure 43) and appropriately zoned Tourist along with the riparian setback of Trail Creek that is appropriately zoned RU. The Open Space strip shown adjacent to Residential Area A, shown on Figure 10, Conceptual Site Plan, in the Application and on Attachment 4, Recommended Zoning and Conceptual Large Block Plat is included in the T Zone since it will be protected upon consideration of actual development plans. This area is also shown on Addendum #12, Figure 44, Amended Large Block Plat-Zoning.

Area B (2.0 acres) is contained within Block 4 along with approximately 1/2 acre that is shown on the Applicant's original plans as "commercial" is between Trail Creek and Second Avenue. Block 4 evolved to include Area B and open space in the vicinity of Serenade Lane and SH75. This Block was recommended by the Commission and accepted by the Council as a combination of Tourist and RU (Addendum #12, Figure 43, Amended Proposed Zoning).

Areas C (9.2 acres) and D (7.8 acres) are located east of Trail Creek and north of the Big Wood River and border Agricultural and Forestry (AF) Zoning on the Reinheimer Ranch. The uses and densities conceived in the Application provide a transition from the proposed denser Hotel Core (discussed below) to the surrounding existing land uses and zoning. These areas essentially constitute Block 5 (Addendum #12, Figure 43) and were recommended by the Commission and accepted by the Council as Tourist District. With no specific plans at this point, the roads are conceptual with the Applicant understanding a second means of ingress/egress as an emergency access may be required and may be provided along the Stock Drive. The site where Street "D" crosses Trail Creek is the only location that is fairly well set.

The Council considered the Environmental Report (Exhibit 6 in the Application) that was submitted and presentations by the Applicant's consultant. Sawtooth Environmental Consulting, LLC, on behalf of the City, reviewed the River Run plan and associated materials. The Memo from Sawtooth Environmental LLC/Trent Stumph, dated November 22, 2009 (found in "Environmental Report" tab in Council binder and listed in Agency/Department comments) and a presentation during a hearing by Trent Stumph addressed the impacts of development specifically on Area D from the viewpoint of conservation. The sensitivity of Area D, south of the Wood River Trail in Block 5, was considered by the Council to require additional restriction to maintain the lowest density in the Neighborhood and the least disturbance of the natural environment as possible while affording development opportunity to the Applicant. The Council required and the Applicant agreed by the submittal of Addendum #15, Figure 46, that the setback from Trail Creek will be 100 feet (increased from 50 feet). Further, the density will not exceed 2 units per acre overall within Area D and that calculation will not include areas within the riparian setbacks. The footprint for the residences in Area D will not exceed 2,500 square feet including garages and decks and will be sited respecting native vegetation. The environmental assets of Area D will be protected by the review and update, if site conditions have changes, of the environmental studies at the time development is proposed. In addition, elements including but not limited to lighting, vegetation, ground disturbance, public access, construction fencing, minimizing road and surface parking areas, and CC&R regulations

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addressing large domestic animals will be scrutinized when more specific plans for the area are developed.

The Open Space shown generally between Residential Areas C and D shown in the Application on Figure 10, Conceptual Site Plan, and on Attachment 4, Recommended Zoning and Conceptual Large Block Plat, is included in the T Zoning since it will be protected upon consideration of actual development plans. This area is also shown on Attachment #12, Figure 44, Amended Large Block Plat - Zoning.

d. West of Big Wood River. The part of the property affected by the floodplain in this area is discussed above. The generally flat land (8.0 acres) west of the Big Wood River and below the hillside slopes is the location of the terminus of Baldy's River Run, the base of the lower River Run lift, the snowmaking water storage, and other existing improvements that are shown as "River Run Base Lodge" (6.7 acres) and "Mixed Use (Area E at 1.3 acre) on the Figures 10 and 11, Site Plan and Land Use Diagram (Application pages 51 and 52). The Base Lodge area is appropriate for uses necessary to support the operation of the ski area. The Mixed Use (Area E) is not discussed in the Application in any detail. Figure 13, Proposed Public Use, on page 61 in the Application indicates that this area is not designated for open space or recreation from which the conclusion may be drawn that it is anticipated for a combination of residential and tourist services such as retail, office, restaurant, residential, or other uses permitted in the T Zone. Given the location of this area among the existing base facilities and its limited size, the Commission recommended, and the Council accepted, the application of the T Zone as shown in Table 1 with limitations, prohibitions and/or permissions, to this existing lodge/mixed use area contained within Block 7 on the Large Block Plat Amended (Addendum #12, Figure 43). This area is also shown as Block 7 on Attachment 4 (Commission's zoning and large block plat recommendation).

e. Hotel Core (Area Bordered by the Big Wood River, Residential Area A, Ecological Park, and Existing City Limits in West Ketchum). The central focus of new development in the River Run Neighborhood is proposed to be the Hotel Core (19.0 acres) as shown on Figures 10 and 11, the Site Plan and Land Use Diagram (Application pages 51 and 52) and various other exhibits. This area is bordered by existing T Zoning east of the Wood River Trail and GR-H and GR-L Zoning west of the Trail. The General Residential High Density (GR-H) Zoned area contains some non-conforming short term uses immediately adjacent to the subject property (Pennay's at River Run). The vehicular access to the adjacent GR-H Zone is through the townsite to and along Wood River Drive in West Ketchum. The vehicular access to the Hotel Core is proposed strictly from within the River Run Neighborhood as shown on Figure 10, Conceptual Site Plan (Application page 51) via Second Avenue, Third Avenue or Serenade Lane. The compatibility of the request for height waiver and the proposed new development with existing adjacent uses is addressed in the Commission's recommendation and the Council's decision on the PUD Application. The limited area of the Hotel Core adjacent to the General Residential Low Density (GR-L) zoning and the proposed location of development within the Hotel Core (see Figure 12, PUD Concept Plan in the Application) present no conflict with applying T Zoning on the River Run Hotel Core parcel in this area; and, in fact, was supported by landowners in the vicinity.

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The Application includes 35,000 square feet of retail and restaurant serving the hotel guests, residents and community and buildings facing the plaza. While the primary focus is accommodating the immediate needs of the hotel guests and recreationalists with the provision of goods and services such as coffee shop and sundries market, the restaurant is expected to be a destination for tourist and residents of the community at large. The Applicant has specifically stated that such uses at River Run will be complementary to and are in no way intended to overtly compete with and detract from the Ketchum Commercial Core. As a result, the Commission recommended that the T Zoning be modified to only prohibit those uses that are not suitable for this area, such as dental clinics and banks, but will continue to accommodate the proposed uses limited to 35,000 gross square feet and part of the FAR for the project. The Council clarified that for restaurant uses only the front of house square footage (seating, bar, and other areas generally accessible by the public) will apply to the 35,000 square foot limit and that all back of house space (kitchens and other services areas generally accessible by staff) will not count toward that limit. Sports equipment storage facilities also will not count in that limit.

The Applicant explained the need or desire for "non-resort operations" offices for such uses as medical offices, treatment centers, diagnostics, and health and wellness services. The Commission found and the Council agreed that such offices are appropriate to be located within the Hotel Core. The Commission found and the Council agreed that a total of 50,000 gross square feet is appropriate for "non-resort" uses provided that the square footage is part of the overall FAR for the project. In addition, the Commission found and the Council agreed that given the uncertainty of uses at this time such uses proposed in excess of 50,000 gross square feet should be evaluated through the conditional use permit process.

The Council heard several scenarios for use of the 50,000 square feet from the Applicant with none being a specific proposal at this time. The uses described ranged from holistic health clinic to plastic surgery, and on. The Council stressed that medical-related uses that compete with or detract from the ability of the existing regional hospital run by St. Luke's to maintain its operation financially are not acceptable. The Council determined it is appropriate to define in more detail what resort and non-resort office space is relative to the limitation in the Annexation and Development Agreement.

In an overall conclusion, the Council found that the amount and type of commercial uses proposed in conceptual form at this time will not detrimentally compete with the Commercial Core, that the sidewalk improvements, that the ease with which bus service can be provided, and that the potential for a gondola or other alternative transportation mode to and through Ketchum's downtown will complement the uses in the Commercial Core.

Each area within the Hotel Core as it is proposed for development will be subject to the applicable zoning and design review standards. The Commission recommended and the Council agreed that application of the T-Zone to these areas is appropriate with limitations as indicated on Table 1 and as specified in the Annexation and Development Agreement.

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With the overall plan to provide tourist and recreation facilities and uses in the River Run Neighborhood as well as through the adjacent T Zoning, the Commission recommended and the Council agrees that the T Zone should apply to the Hotel Core as shown in Table 1 with use limitations. The Hotel Core is Block 1 on Addendum #12, Figure 44, Sheet 15.1, Amended Large Block Plat.

f. Entry Areas at State Highway 75.

i. Open space, shown on Figure 10, Conceptual Site Plan in the Application, encompassed the bench generally at the State Highway 75 level from Serenade Lane west to Trail Creek and south to Residential Area C. With this being contiguous with the Open Space along the stream corridors and Eco-park, the Commission recommended and the Council agreed to the RU Zone with potential use limitations. This area became part of Block 4 in Addendum #12 on Figure 44, Sheet 15.1, Amended Large Block Plat-Zoning.

ii. A 1-acre parcel shown on the north side of Serenade Lane at State Highway 75 was designated "Commercial" on Figures 10 and 11, Conceptual Site Plan and Land Use Diagram (Application pages 51 and 52). The Land Use Classifications contained in the Comprehensive Plan identify commercial uses as "Business/Shopping" in the text and "Community Core" on the Land Use Map. Neither classification applies to the River Run property on the Land Use Map. The land within the City and adjacent to this 1-acre parcel is T-zoned and built out. Commercial uses that support the mixed uses proposed at River Run and do not detract from Ketchum's community/commercial core are allowed in the T Zoning district. However, to complement the open space on the south side of Serenade Lane at the highway, and to further enhance the entry statement, the Commission recommended and the Council agreed that the portion of this parcel essentially at the highway elevation be zoned RU with the balance of the parcel zoned T along with the recommended T zoning for Residential Area B on the west side of Second Avenue. With the design of the intersection not being engineered at this time, the Applicant agreed in Addendum #1 to zoning for open space on this portion of land. This area is contained within Block 4 in Addendum #12 on Figure 44, Sheet 15.1, Amended Large Block Plat-Zoning.

3. Overlay Districts.

The property contains hillsides, floodplain, and avalanche hazard in certain areas. As discussed above, the Commission recommended the relevant overlay districts, specifically Mountain, Floodplain and Avalanche, and their regulations and limitations, be applied in addition to the underlying zoning designation as each segment of development works its way through the permitting process. The Mountain Overlay District will apply to contiguous slopes in excess of twenty-five percent (25%) as shown on the large block plat.

**F. AMENDMENT TO TOURIST ZONING DISTRICT:**

The Applicant, on page 44 of its Application, requested a text amendment to the T-Tourist Zoning District to allow off street parking and recreation uses to be changed from "conditional"

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to "permitted". The ability to plan for parking structures and a multitude of recreation uses in the context of the entire area, without specific requests for additional permits for these uses, was represented as critical to the success of the neighborhood. The River Run Neighborhood is essentially self-contained and the concept is to provide as much parking underground, or under building, and to conceal, to the extent possible, parking at or above grade with residential and other buildings. The Commission recommended and the Council agreed that these changes are appropriate for this development and that they be accommodated in the limitations or modifications of uses within the applicable zoning districts pursuant to Table 1 below and the Annexation and Development Agreement specific to this property. Similar uses proposed in other T Zones around the City may have impacts beyond the property lines that require additional scrutiny at the time they are proposed; it is therefore, appropriate to leave such uses as conditional in the text of the zoning regulations and in the context of the Tourist Zones throughout Ketchum.

### G. ANNEXATION AND DEVELOPMENT AGREEMENT:

#### 1. WAIVERS REQUESTED

To address issues of mutual concern to the City and the Applicant, to provide flexibility in applying land use regulations, and to assure benefits found necessary to approve exceptions to regular development standards, an Annexation and Development Agreement is both proposed by the Applicant and required in the Ketchum Code. The uses of land within the recommended zoning districts are discussed in Table 1 below. Certain waivers of specific requirements in the Code are requested through the application for PUD and through the application for Annexation.

##### a. Waivers Requested via PUD Application (inside the Hotel Core).

Chapter 16.08, Planned Unit Developments, Section 16.08.070.F. allows, and the Applicant has requested, waivers inside the 19-acre Hotel Core as part of the PUD application.

- i. Street ROW, Section 12.04.030.A: requesting ROW dimensions ranging from 40 - 50 feet instead of 60 feet; *specific* sections for the ROWs to be determined at the time the roads are designed and engineered.
- ii. Street Width, Section 12.04.030.: requesting pavement widths are 22 feet for "rural residential" streets, and 34 feet or final width to be determined at preliminary plat for collector streets.
- iii. Maximum Height, Section 17.52.010.I.1: requesting up to 110 feet for the hotel instead of 35 feet based on site constraints, grade change across property, and requirements for up to 4-star building program and demonstrated by Figure 17-Tent Diagram and Tent Coverage (Application page 79).
- iv. Maximum Height, Section 17.52.010.I.2: requesting up to 90 feet instead of 35 feet and 44 feet for the parking garage and residential buildings within Hotel Core and demonstrated by Figure 17-Tent Diagram and Tent Coverage.

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- v. Off Street Parking, Section 17.124.060: requesting 1.2 spaces per residential unit and 1.0 spaces per hotel key instead of formula in Code that is generally 1.5 spaces for residential and 0.75 for hotel plus additional for spa and meeting space.
- vi. Sidewalk, Curb and Gutters, Section 17.124.090: requesting use of road drains, natural ditch-like features and other alternatives instead of standard curb and gutter.
- vii. Design Review Requirement, Section 16.08.070.D: requesting design review once the buildings(s) are designed. *It should be noted that the Code allows the Applicant the option of applying for design review along with a PUD application.*

"Table 2: Waiver Requests via PUD Application" attached to the Staff Report on the PUD application, lists and describes the specific code requirements and the requests for waivers. Review, evaluation, and recommendation on the requested PUD waivers are contained in the Commission's recommendation on the PUD application.

b. Waivers Requested via Development Agreement (outside Hotel Core).

Chapter 17.154, Development Agreement Zoning, allows flexibility in zoning (or rezoning) by providing a vehicle to consider modifications to uses and design in the context within which the development is proposed, referring to Section 17.154.010, Intent and Purpose.

The following waivers are requested for application to areas of the River Run Neighborhood outside the Hotel Core. Table 2 describes the specific code requirements and the requests for waivers requested via the Development Agreement.

- i. Street ROW, Section 12.04.030.A: requesting ROW dimensions ranging from 40 - 50 feet instead of 60 feet; *specific sections for the ROWs to be determined at the time the roads are designed and engineered. (Note, same as a. for the Hotel Core)*
- ii. Street Width, Section 12.04.030.B: requesting pavement widths are 22 feet for "rural residential" streets, and 34 feet or final width to be determined at preliminary plat for collector streets. *(Note, same as b. for the Hotel Core)*
- iii. Off Street Parking, Section 17.124.060: requesting 1.2 spaces per residential unit and 1.0 spaces per hotel key instead of formula in Code that is generally 1.5 spaces for residential and 0.75 for hotel plus additional for spa and meeting space. *(Note, same as e. for the Hotel Core)*
- iv. Sidewalk, Curb and Gutters, Section 17.124.090: requesting use of road drains, natural ditch-like features and other alternatives instead of standard curb and gutter. *(Note, same as f. for the Hotel Core)*

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**Table 2: Waiver Requests via Annexation Application**

Code Section	Requirement	Waiver Requested
Streets, Sidewalks Title 12:  Street ROW Section 12.04.030.A	Sixty (60) feet	Ranging from forty to fifty (40 – 50) feet; specific sections for the ROWs to be determined at the time the roads are designed and engineered
Streets, Sidewalks Title 12:  Street Width, Section 12.04.030.B	Twenty-six (26) to forty-one (41) feet	Twenty-two (22) and thirty-four (34) feet
Zoning Ordinance Title 17:  Accessory Buildings & Uses Sec. 17.124.060 Off Street Parking	Multi-family: 1 space/1500 sf, plus 1 guest space for every 4 units  Single family: 1.5 spaces/unit  Hotel: 0.66 spaces/room.	1.2 spaces per residential unit and 1.0 space per hotel key. Retail and restaurant parking in garages.
Zoning Ordinance Title 17:  Accessory Buildings & Uses Sec. 17.124.090 Sidewalk, Curb & Gutter	Curb and gutter are required with all new construction.	Use of road drains, natural ditch-like features and other alternatives instead of standard curb and gutter

**Section 17.154.050, Standards (for Development Agreements),** provides guidance in considering and acting upon these waivers.

**A. Applicability:** The standards identified in this section shall apply to all annexations and rezones involving development agreements, unless otherwise waived by the administrator, commission or council.

The annexation application includes a development agreement.

**B. Comprehensive Plan Compliance:** The proposal is in conformance with and promotes the purposes and goals of the comprehensive plan, this title and other applicable ordinances of the city, and not in conflict with the public interest.

### 2. HEIGHT WAIVER

The analysis of the Comprehensive Plan and conclusions are contained in Attachment 2, Comprehensive Plan Analysis. While waivers are not specifically covered in the Plan, the anticipated impact of the modified standards (height, road widths, etc.) was considered in light of the guidance the Plan provides and the public interest. Height waivers requested to apply only to the Hotel Core were considered by the Commission and recommended in the context of the PUD application (see Attachment H. Ketchum Planning and Zoning Commission

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Recommendations). The Council's evaluation and decision on the height waiver request and the PUD are memorialized in a separate document.

#### 4. STREET STANDARDS WAIVERS

The Ketchum Street Department and City Engineer recommended that the ROW dimension, paving width, and curb/gutter waiver requests are not appropriate for Serenade Lane, Second Avenue, and Third Avenue, particularly if these roads are found appropriate by the Council for dedication to the public and maintenance by the City. The Commission found that it is not in the public interest for the City to accept major roads that do not comply with minimum standards. Given the conceptual nature of the alignment and function of the more minor roads, the Commission found that it is premature to consider and act on the associated waivers. The Commission agreed that maintenance, and particularly snowplowing, by the City is appropriate for Third Avenue only to the point of its western-most intersection with Serenade Lane because the extension of Third Avenue from that point continues over the proposed new service bridge with an unknown/questionably conforming turnaround at its terminus at the existing River Run Base Lodge and service/maintenance buildings. The Applicant indicated that emergency vehicles could loop through to the existing bridge and exit out the plaza, in which case, no turn around would be needed. The circulation provided by these major roadways is conducive to City maintenance and snow plowing if width and other standards are met.

The Applicant agreed during the Commission hearings to postpone any request for waivers to the street standards: ROW width, paving width, and curb, gutter and sidewalk, thereby agreeing to compliance with City standards for all roads, provided waiver or reduction of the various standards could be requested by the Applicant and decided by the City at the time the more specific detailed development proposals are brought forth to design review or subdivision. The Commission recommended it was appropriate to require compliance with city standards for major thoroughfares if they are accepted for dedication and maintenance by the City and to allow consideration of waivers to standards for minor streets at the later date, at which time dedication of these streets will also be considered.

The City Council agreed that Serenade Lane, Third Avenue and Second Avenue should comply with City standards and that specific waiver requests for other roads may be considered at the time of design review or subdivision. In addition, the City agreed that Serenade Lane to its western-most intersection with Third Avenue and Second Avenue should be dedicated to and accepted by the City, provided they meet not only ROW width requirements but grade, cross-section and other standards, at the time of recordation of the large block plat. The hierarchy of Serenade Lane and Second Avenue with respects to traffic volumes and traffic calming design techniques will be decided upon specific roadway design and based on a review of anticipated traffic volumes and compatibility with adjacent land uses.

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### 5. PARKING NUMBERS WAIVER

The off-street parking modifications were requested to apply to development within the River Run Neighborhood. The Commission considered and recommended accepting the parking ratio table and comparisons offered by the Applicant in Addendum #4. Further, the Commission recommended that the actual number of parking spaces required for each part of the development shall be calculated on the basis of this table at the time of design review or subdivision. The Commission's recommendation was based on the fact that there is enough over flow parking proposed to accommodate additional parking. The Council agreed with the recommendation to approve this waiver.

### 6. PUBLIC PARKING

The Commission recommended that public skier parking continue to be available as the project transforms from surface parking to structured parking. The Council considered and approved the sequencing of the construction of parking garages as contained in Attachment 8, River Run Public Improvements Sequencing. This conversion from surface to structured parking should also be addressed in the Annexation and Development Agreement. The Commission further recommended and the Council agreed that a shared-use agreement for public parking during community events could be explored.

**B. 1. There will be no significant adverse effect(s) resulting from the proposed zone change and uses(s) authorized upon the public health, safety and general welfare of the neighborhood or the community as a whole.**

The consideration and application of zoning upon annexation, as described above, was decided on the basis of the impact upon general health, safety and general welfare. The evaluation under this guideline was much the same as considering the public interest in the context of the whole community. This guide asks that the City go another step in considering the "neighborhood" and the community as a whole.

### 7. NEIGHBORHOOD CIRCULATION

The first "neighborhood" to consider is that of West Ketchum and the adjacent townsite and any impact the waivers of the street-related standards may have. The Commission found that the Applicant agreed to abide by the City standards for all roads until such time as specific development plans are submitted for design review or subdivision or PUD approval. Since no access roads into the River Run Neighborhood come from West Ketchum, the Commission found and the Council agreed that there is little or no impact on that neighborhood should street waivers be considered and granted in the future.

The second neighborhood to consider is the creation of the "new" neighborhood of River Run. The Commission found and the Council agreed that River Run is mostly self-contained and that any further consideration of waivers to street and parking-related standards should occur

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when the design, location, size, and other details are available for each of the phases of the Master Plan.

### 8. GENERAL VEHICULAR CIRCULATION

The Commission found and the Council agreed that the main roadways accessing the property, Second Avenue, Third Avenue and Serenade Lane, shall comply with city standards as agreed to by the Applicant. Final acceptance of these roads is subject to City approval of the grades, sections and other details not available at this time.

Busses providing service to the River Run base area currently utilize Third Avenue as their primary route that includes stops along the way. For many years the Sun Valley Company's "yellow buses", also using this route, did not stop for additional passengers. With Mountain Rides having taken over the service, there is flexibility to make changes should traffic and other considerations warrant them. Third Avenue is not necessarily the main corridor forever. Buses are easy to re-route.

The relationship between the private car and buses and non-motorized bike and pedestrian use must be addressed in more detail as segments of the plan are designed. The potential for Second or Third Avenues to become a multi-modal artery exists. The Commission members expressed the need for more signage directing to the River Run base area via the roundabout or T-intersection, whichever is chosen at State Highway 75.

The City's engineer indicated that the traffic numbers are only estimates based on the percentages given in the traffic report. The goal is to calm traffic on Third Avenue by making it easier to use Second Avenue. The Commission recommended and the Council agreed that the decision on whether to make Second Avenue or Serenade Lane the through street is more appropriate after roadway design, consideration of anticipated traffic volumes, and results of on-going monitoring. The Commission opined that should the gondola become a reality, the circulation between River Run and Ketchum's downtown and the Sun Valley Resort will change dramatically.

The Commission recommended and the Council agreed that dedication of Serenade Lane, Third Avenue and Second Avenue take place upon recordation of the final plat for the property. In the mean time, the Council agreed that the City should continue to maintain only those portions of these three streets in the same manner as it does at the time the property is annexed until such time as the new alignments are approved, constructed to City standards, and dedicated.

With a focus of the River Run neighborhood being continuing and better access to recreation and other attributes of the property, the Commission recommended and the Council agreed that all roads, public or private, shall have public access and shall not be gated.

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Recognizing the need for adequate emergency vehicular access to the west side of the Big Wood River, the Commission recommended and the Council agreed that a loop or turnaround designed to the satisfaction of the Ketchum Fire Department be provided.

A traffic signal or a roundabout was proposed for the intersection of State Highway 75 and Serenade Lane with preference by the Applicant for a roundabout. The Planning and Zoning Commission and City Council agreed with this preference. With a roundabout requiring more land than what is available within the State Highway 75 ROW or Applicant land, condemnation of land necessary to develop a roundabout was discussed by the Council. While agreeable to participation in the process to obtain the land, the Council indicated that all costs associated with that process should be borne by the Applicant.

### 9. MULTI-MODAL TRANSPORTATION

The site design of the Hotel Core and surrounding area will accommodate a corridor for a gondola or other alternative transportation from River Run to downtown Ketchum and on to Sun Valley Resort, should this be found feasible in the future. In addition, Mountain Rides supported the plan for slightly fewer parking spaces via the request for a waiver since its position is fewer parking spaces encourage use of alternative forms of transportation from the private vehicle. The River Run property is designed to accommodate (1) walking with the addition of sidewalk segments to downtown that are currently missing, (2) bus transportation with adequate circulation through the Neighborhood, (3) bicycling for pleasure or commuting, and (4) public skier parking throughout the transition of the development of the Neighborhood.

### 10. NON VEHICULAR CIRCULATION

To encourage non-vehicular access to and from the River Run Neighborhood, the Commission recommended and the Council agreed that sidewalks and bike lanes along the developed portions of Second and Third Avenues be completed. The sequencing of these improvements will be addressed in the Annexation and Development Agreement along with the Applicant's proportionate share based on traffic attributed to the project.

The West Ketchum neighborhood has accessed the base area from the end of the public ROW of Bird Drive for many years. To continue to encourage access without the use of the private vehicle, the Commission recommended and the Council agreed that the Applicant dedicate a public, non-motorized access from the Bird Drive ROW in West Ketchum into the River Run property providing non-motorized, public access to the River Run base area.

Harriman Place and other neighbors in this vicinity have historically been able to leave their vehicles parked accessing the base area on foot. To continue this opportunity, the Commission recommended and the Council agreed that a public, non-motorized access easement into the project site be provided from Harriman place. The Applicant agreed to this recommendation. As consideration of the public, active park space and community housing issues evolved, parcel N2, shown on Addendum #16 on Figure 47 being accepted by the City for active park space,

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community housing or other public use, abuts Harriman Place. Through this property, the residents in Harriman Place and other adjoining properties can reach either public trails or streets for continued access to the streams and/or mountain.

### 11. SNOW STORAGE

The development of the property will cause the community as a whole to lose the use of the municipal snow storage site that has been provided for multiple years by the Applicant free of charge. The Commission considered that this loss could have significant fiscal impacts if other site(s) are not identified. The Application states that the Applicant will provide adequate notice (estimated to be two winter seasons) in advance of development occurring on that site. Three hundred nine thousand (309,000) yards of snow were hauled during the heaviest snow year (2006) of the past six winter seasons, which equals a total of 12,364 truckloads, or a range of 150-700 truckloads per night. During larger storms, the City Street Department has hauled up to 700 truckloads in a 12-hour period. The existing snow storage site is approximately four (4) acres in size. The site contains a change in elevation that allows maximum efficiency by allowing the snow to be dumped from the upper level and to accumulate up to the upper level thereby accommodating greater quantity than a flat site would allow. While staff is currently evaluating all lands in the north valley for feasibility of snow storage, it is likely that operations will need to be split to more than one site. The Commission recommended that a good potential site is the two (2) acres of land owned by the Applicant at the base of the Cold Springs canyon. The City's goal is to maintain the current level of service for efficient snow removal off of City streets. The Commission recommended and the Council agreed that the Applicant provide a long term lease to the City for at least 2 acres of snow storage at the Cold Springs site and that the Applicant provide a minimum of two (2) years advance notice of development of the existing site. The Applicant proposed during Council hearings that the current snow storage site will continue to be available for a minimum of five (5) years after the date of the Annexation and Development Agreement.

Ketchum Street Department personnel advised the Council that standard ROWs will accommodate snow storage outside the travel lanes but within the street ROWs while reduced ROWs will require more snow removal to a storage location thus potentially compounding the City's problem of where snow can be trucked and stored. With plans for overall development at such a conceptual stage, the Commission recommended and the Council agreed that the Applicant shall demonstrate during design review and/or specific subdivision processes that adequate per-storm snow storage for the project is available on-site.

### 12. RIPARIAN SETBACKS

Riparian setbacks were originally proposed to be the minimum of 25 feet with an average of 50 feet throughout the project. Commission members expressed a need for additional setback to facilitate the concept of the pedestrian plaza between the hotel and the existing bridge over the Big Wood River. The river represents a significant asset with the riparian area, either in the 25-foot setback or the final designed setback, accommodating natural resources as well as the pedestrian plaza, river walk, and bike trail. Without enough area between the hotel and the

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river, conflicts between uses will occur leaving it less than desirable as an activity node. The Commission was presented with and the Council reviewed the following relative to this setback concern:

- Figure 38, Park on the River Concept Plan in Addendum #8,
- Figure 36, Aerial Site Plan with River Setback Zones in Addendum #6, and,
- Figure 30, Example Section along Big Wood River with Maximum Height Shown in Addendum #5.

The Commission recommended that when the plans for the hotel are developed, they include a balance between the ecology of the river and an enhanced river experience. The Council decision on the PUD will govern the riparian setback and its use within the Hotel Core. That consideration and decision will be memorialized in the PUD findings.

The Commission recommended that all riparian setbacks *outside the Hotel Core* be a minimum of 50 feet from the mean high water mark of Trail Creek and the Big Wood River including side channels of said waterways. However, after considerable discussion and evaluation supported by the size of the property, the characteristics of the river corridors, and other environmental factors, the Council determined the following stream setbacks, including side channels, outside the Hotel Core shall apply:

- 50-foot setback on the west side of the Big Wood River (Blocks 6 and 7)
- 50-foot setback on the east and west sides of the Big Wood River (Block 3)
- 50-foot setback on the west side of Trail Creek (Blocks 2 and 3)
- 100-foot setback on the north side of the Big Wood River and 100-foot setback on the east side of Trail Creek up to the centerline of the existing alignment of the Wood River Trail (Block 5)
- 50-foot setback on the east side of Trail Creek from the centerline of the Wood River Trail north through the property (Blocks 5 and 4).

Reference is made to Addendum #12, Figure 44, Amended Large Block Plat - Zoning and Addendum #15, Figure 44, Size of Development Parcel D for illustration of the setbacks listed above.

The Applicant proposed to place a conservation easement over the 100-foot setback with the City as the beneficiary.

The Council found that a multi-modal path within the designated riparian setbacks is appropriate and that alignment is further discussed below in "Other Recreation and Trail Amenities".

### 13. WOOD RIVER TRAIL AND NON-MOTORIZED CIRCULATION

To further the standard practice of providing a non-motorized, public access easement along all waterways, the Council required that a minimum 10 feet from the Mean High Water Mark shall be dedicated as a fisherman's/public access easement on the large block plat.

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A concern over the realignment of the main Wood River Trail expressed by the Commission was the need to accommodate the recreation use in and around the pedestrian plaza and also the significant commuter traffic utilizing the corridor. The Commission was presented with Addendum #8, Figure 39, Revised Bike Trail Alignment that illustrates modifications to the originally proposed realignment contained on Sheet 12.0, Proposed New and Relocated Easements. The revision was a result of discussions with the Blaine County Recreation District during the Commission's consideration of the plans for River Run. The Applicant agreed to continue to work with the Blaine County Recreation District in planning more specific designs for the main Trail.

The spur connection between the main Wood River Trail running along the former U.P. Railroad ROW and Second Avenue runs along the State of Idaho Stock Driveway. Sheet 12.0, Proposed New and Relocated Easements, indicates that the Stock Driveway may require relocation. In Attachment 6, Agency/Department Comments, a letter from James W. Phillips dated September 24, 2009, expressed concerns on the part of livestock company users of the Stock Driveway, that vehicular road crossings and private driveways over the Stock Drive violate the integrity of the corridor and will be examined carefully before changes can be approved. In the interests of maintaining continuity of the Stock Driveway that will allow the continued trailing of sheep up and down the Valley as well as a non-motorized link to town, a condition of the large block plat is that the Applicant obtain all necessary approvals of easement holders prior to relocating and replatting easements including the Stock Driveway. Construction of improvements within relocated easements shall be the responsibility of the Applicant.

### 14. ACTIVE RECREATION SPACE

The Applicant proposed no active park space as part of the original application. The Commission debated the need for recreation and open space as they may apply to this project, based on the Comprehensive Plan and user numbers compiled by the Ketchum Parks Department. Commission members indicated that one of the most important items this project brings to the City is jobs and revenue. Other members felt strongly that additional active park space that is needed to take the City into the future should be identified as part of this process. Much of the public comment at the Commission's hearings supported the need for active recreation land and that it be provided in the River Run Neighborhood. A considerable amount of public comment also indicated that the River Run property, as a portal to the ski and recreation mountain, is not the appropriate location for active park space. The Council heard much the same testimony during its hearings.

Extending the 1.8 acres set aside as open space in Residential Area A was discussed by the Commission; however, the topography of that area limited that functionality and eliminated the use of that open space as a buffer to an existing neighborhood. The idea of use of URA funds or a real estate transfer fee for infrastructure such as this was raised. The Applicant requested that URA funds be earmarked for infrastructure and a real estate transfer fee be established for the development and operation of the Eco-Park. Some Commission members opined that there may not be a logical location in this area but that potential site(s) for active

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recreation that will focus on future needs should be identified. Members of the Commission felt that the Eco-Park should be given credit as passive park space.

However, following public comment and debate by the Planning Commission, the Applicant proposed to address active recreation space in another way. The Applicant suggested that the one (1) acre of land (Parcel N1 shown on Figure 1, Detail Diagram in Addendum #1) previously proposed to be deeded to the City for the development of community and/or employee housing be deeded to the City for active recreation uses. The adjacent bioswale or greenway could add area to that parcel provided that an easement for the nature trail that is planned can continue to loop through the property. (Discussion and recommendation of community and employee housing is covered below.) The Commission found that three (3) acres would be closer to the size needed for a park that could accommodate soccer and festival events. The Commission recommended that the Council accept the approximate one (1) acre parcel (N1) donation plus the greenway (approximately 0.2 acre) in conjunction with a municipal purchase of the adjacent block(s) (N4 and N5) for the creation of an active park of approximately three acres. The Commission further recommended that deeding the active park space should be credited toward the Parks Development Impact Fees pursuant to Idaho Code, Section 67-82, et seq. The Commission felt that this recommendation on active parks was a fair way to balance the needs of the overall community and the impacts from this development.

The Council extensively debated and considered various options for dealing with the need for active recreation space to satisfy existing and long term needs, and to mitigate impacts associated with this annexation proposal. Atkinson Park provides for nearly all active recreation in the Ketchum/Sun Valley area, and is utilized to the point of over-use. However, the Council found that the City's short-fall of active space should not fall completely on this Applicant. The Applicant, in turn, responded by proposing that instead of providing parcel N1 for either community housing or active park space, the Applicant would dedicate parcel N2 (Addendum #16, Figure 47, Parcel N2) plus the green space around it for use by the City as active park space or community housing. This parcel is larger than Parcel N1 and would connect to a pedestrian bridge over Trail Creek. This option would allow the City to address shorter term active park space needs at this location while continuing to work with the Applicant on an acceptable alternative park of three (3) acres or more in the greater Ketchum Area for longer term needs. If such an acceptable site is found within 36 months of execution of the Annexation and Development Agreement, the Real Estate Transfer Fee, discussed under Community Housing below, would be lowered. The City could at that point decide to move active recreation, some or all, from N2 to the new site and utilize N2 for other public purposes.

The Applicant will pay applicable Park Impact Fees without receiving any credit for having provided land for community housing, active park space, or other public use as determined by the Council, and will work with the City toward a larger park location in the greater Ketchum area. During Council consideration of the application, the Applicant waived any right it might have for this property to be credited toward park impact fees.

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### 15. OTHER RECREATION/TRAIL AMENITIES

Figure 19, Detail Diagram, Addendum 1, illustrates a trail from Street "A" following the bioswale, crossing Third Avenue and crossing Trail Creek via a new pedestrian bridge in the vicinity of Parcel N2. This was described by the applicant to the City Council as part of the presentation on the proposal to dedicate parcel N2 for park lands or housing versus Parcel N1. The pedestrian connection to Trail Creek and the pedestrian bridge augment the value of N2 for recreational purposes.

A trail connecting the Warm Springs base area to the River Run base area is found to be an important recreation amenity to residents and visitors alike. The Applicant-owned property in the River Run area, that which is requested for annexation and that which is already in the City limits, provides a major connection that is necessary to accomplish this trail. The Commission recommended and the Council agreed that the Applicant shall dedicate an easement and construct this portion of the trail after collaboration on the design with the City, Warm Springs Ranch Resort, USFS, and other stakeholders. The Development Agreement will further clarify the timing on this dedication and construction with respect to the completion of the trail to Warm Springs.

Realignment of the main Wood River Trail and new spur bike paths are proposed. The intersections with roads, design curves, and other elements of the trail plan were of concern to the Blaine County Recreation District. While the Applicant owns the former Union Pacific Rail Road (UPRR) ROW upon which the Wood River Trail sits, it also has the ability based on the easement it granted to the Recreation District to relocate the main trail. The Commission and Council recognized the continued importance of providing the Trail as a recreation amenity as well as a non-motorized commuter corridor. The spur connecting to Second Avenue remains necessary for commuters and others entering and exiting the City. As a result, the Commission recommended and the Council agreed that any and all modifications to the main Wood River Trail be approved by the Blaine County Recreation District prior to any construction. As indicated above, revision to the original realignment was presented in Addendum #8, Figure 39, Revised Bike Trail Alignment that illustrated modifications to the originally proposed realignment contained on Sheet 12.0, Proposed New and Relocated Easements.

While the Applicant originally proposed to lower the grade of the Wood River Trail as it passes through Areas C and D, upon consultation with the Blaine County Recreation District, the Applicant will design the access road to these residential areas in such a manner that permits the grade of the Trail to remain as is.

The Eco-Park represents preservation of natural wetlands and wildlife habitat as well as opportunities for educational experiences, fishing access, and nature walks. The Commission recommended and the Council agreed that the Applicant is to develop the Eco-Park and attending amenities outlined in the Environmental Report according to sequencing shown in Addendum #4, October 29, 2009, Figure 27, Revised Sequencing Table.

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Testimony was heard that a landing zone for continued use by the paragliding community is essential for recreation as well as a benefit economically to the City and Resort. Depending on the outcome of a number of issues related to the River Run development, there may or may not be open space in a suitable location for this use even when considered in conjunction with other open space uses. The Commission recommended that the Applicant and the City explore with the paragliding community appropriate landing sites. The City Council heard similar testimony about the need for land area. The Applicant agreed to provide access to a landing site on the Reinheimer Ranch if such a site could be secured. In addition, parcel N2 proposed for active recreation in the near term and potential community housing in the long term may serve that function for some period of time. The Applicant also expressed the intent to continue to allow use of the portion of the River Run property near Horizons Four for paraglider landing since that area will not be proposed for development for several years.

### 16. UTILITIES AND PUBLIC FACILITIES

The Ketchum Utilities Department and the City's engineer indicated that while the planned capacities of the water and sewer systems have included the River Run property, the specific needs based on uses and densities has not been determined. Fire flows for the particular development proposals must be met. A Water/Sewer/Irrigation Audit by Benchmark Associates, dated November 9, 2009 was submitted by the Applicant (found in "Water Audit" tab in Council binder and listed in Additional Applicant Submittals). Ketchum Utilities Department/Steve Hansen submitted a memo dated March 5, 2010 together with a memo from Tracy A. Ahrens, PE, of JUB Engineers, dated February 26, 2010 (found in "Water Audit" tab in Council binder and listed in Agency/Department Comments). The Applicant is preparing additional information utilizing more accurate irrigation calculations since the original greatly over-estimated these areas. The water system impacts including but not limited to well(s), well easements, water rights, storage, redundancy, compliance with DEQ standards and fire flows will be addressed in the Annexation and Development Agreement. Irrigation needs and water rights and sewer services will also be addressed in the Agreement or other agreement.

The Applicant agreed that any new utilities on-site are required to be placed underground. The Commission recommended that any new utility lines that may be required on and off-site comply with the City's Power Franchise Agreement(s), specifically that no new above ground power lines or other utility lines are permitted.

### 17. SUSTAINABLE BUILDING PRACTICES

The Applicant further clarified in Addendum #1 what was meant by the original representation that the "intent of the River Run Neighborhood is to provide an economically-viable development while protecting the natural environment and conserving natural resources". (p.17, Introduction). The Neighborhood is planned to incorporate the principles of the U. S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program for Neighborhood Design (LEED ND). Principles that have been incorporated thus far include steep slope protection, site design for wetlands conservation and restoration, connectivity with neighboring community and transportation demand management. Other principles are

## Exhibit R - Annexation Findings

intended to be incorporated at the design and construction phases progress. During hearings it was acknowledged by the Applicant that all local building and fire codes, as may be amended from time to time to required sustainable practices in effect at the time building permits are applied for, will be met.

**B.2. Includes community or employee housing, as defined in section 16.08.030 of this code, for rezones requesting a higher density zone. Payment in lieu may be accepted for fractions of units as determined by the council.**

### 18. COMMUNITY HOUSING AND EMPLOYEE HOUSING

Community Housing is defined in Section 16.08.030 as follows:

"Community Housing: That portion of housing within a planned unit development that meets the following minimum requirements:

**"A. Affordability requirements for ownership and rental units:**

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

**"B. Community housing units must be deed restricted to ensure appropriate income levels served, corresponding sales prices and long term affordability."**

The Applicant initially indicated that a parcel of land of one acre within the River Run Neighborhood would be deeded to the City for Community and Employee Housing. Addendum 1 submitted October 9, 2009, indicates a one (1) acre parcel of land in Block N1 (Addendum #1, Figure 19, Detail Diagram). The Applicant stated that the parcel provides flexibility, allows construction of housing sooner rather than phased over 15-20 years and is near existing roads and neighborhoods, reducing infrastructure costs. This was subsequently proposed as an acre of land for active parks space, as described elsewhere in these findings.

## Exhibit R - Annexation Findings

Attachment 5 shows how much Community and Employee Housing would be needed from this annexation based on the square footage of development proposed as calculated using the formula for Community Housing in the Tourist (T) Zone District.

The Applicant indicated to the Commission that they would be willing to construct employee housing per the City's adopted formula for hotels at River Run or in Sun Valley. The Commission found and the Council agreed that the construction of new employee housing (or the buy-down of existing housing stock) either in Ketchum or Sun Valley City limits, per the City's adopted formula based on the actual number of hotel rooms, meets the requirement for employee housing.

The formula for community housing from the Zoning Code outlined in the Tourist Zone was discussed, shown in Attachment 5, Analysis of Zoning and Subdivision Codes. It was noted that the formula was developed for platted lots, and does not perform well on large, unplatted tracts of land, or on master-planned properties. The Planning and Zoning Commission found that due to the limitations of the community housing formula, it should not be used as the sole basis of the determination of community housing impacts, and that there were community housing impacts resulting from this annexation stemming from both the number of residential units created and the number of jobs created as analyzed in the Fiscal Impact Analysis provided by the Applicant. The Commission found that community housing impacts could be mitigated by the creation of a dedicated revenue stream for the construction of community housing and therefore recommended a Real Estate Transfer fee of between 0.5% and 1.0% of the gross selling price of each lot or unit within the project commencing with the sale of the first lot/unit. The Commission further recommended that the Urban Renewal Agency match this revenue stream dollar for dollar to reflect the agency's and the City's commitment to the construction of community housing.

The Council considered the Commission's recommendation and the modified proposal by the Applicant regarding parcel N2, which would be dedicated for either housing or park uses. The Applicant also proposed a parcel at the westerly portion of the northwest corner of Serenade Lane and Highway 75 would be dedicated towards community housing. Regarding the two parcels, the Council concluded that this land, in conjunction with a Real Estate Transfer fee of 0.75% dedicated to active park space or community housing, was a reasonable approach to the housing question as well as active park space needs. (See also Section 13 of these Findings regarding a reduction in this Real Estate Transfer fee if additional lands are secured for active recreation.) The Real Estate Transfer fee and the dedication of parcel N2 and the 1/4 acre are found to mitigate impacts of this development on community housing and active park space.

### **"C. Compliance with City Codes: (Please see: Attachment 5: Analysis of Zoning and Subdivision Code)**

- 1. Pursuant to section 17.96.030 of this title, all of the design review standards in chapter 17.96 of this code shall be carefully analyzed and considered for all proposals. This includes detailed analysis of building**

## Exhibit R - Annexation Findings

**bulk, undulation and other design elements. The site plan should be sensitive to the architecture and scale of the surrounding neighborhood.”**

### 19. DESIGN REVIEW

Design review is requested to be deferred at this time as buildings are not fully designed. That request is associated with the Hotel Core PUD application. The Code allows the Applicant the option of applying for design review along with a PUD application. The Commission found and the Council agreed that design review and specific PUD approval is appropriately deferred until the Applicant has developed specific plans.

**“2. A project encompassing three (3) or more acres or otherwise meeting the requirements under subsection 16.08.080A of this code is required to submit a planned unit development conditional use permit pursuant to chapter 16.08 of this code.”**

The Commission found and the Council agreed that the project encompasses three (3) or more acres, as required.

**“3. The project shall be in conformance with this title; title 16, "Subdivision Regulations", of this code; title 12, "Streets, Sidewalks, Public Utility Easements And Public Places", of this code, and all other applicable city ordinances and regulations. (Ord. 865 § 1, 2001)”**

Conformance, to the extent that waivers are not granted at this time, with Title 16, Subdivision Regulations, Title 12, Streets, Sidewalks, Public Utility Easements And Public Places", and all other applicable city ordinances and regulations has been found. Given the evaluation of the conceptual nature of the plans, the Commission recommended and the Council agreed that the Development Agreement include the ability for the Applicant to request and the City to consider and decide upon waivers to minor street standards at the time the specific plans are submitted for design review. The staff team has agreed with the Applicant that waivers to certain sections of Title 16 will be needed given the nature of the proposal. An Exhibit will be developed as an attachment to the Development Agreement outlining these waivers. All waivers will be subject to a recommendation by the Commission, and approval by the Council.

### 20. LARGE BLOCK PLAT

A large block plat was submitted with the application for Annexation and Zoning Designation (Sheet 15.0). The two (2) blocks reflect the Hotel Core (labeled "Village Core") and the balance of the property (labeled "Future Development"). Requirements of a preliminary plat are demonstrated in concept by the following:

- a. Sheet 5.0 Floodway/Floodplain that shows both the FEMA lines and the site specific lines that are the subject of a LOMA application awaiting decision by FEMA.
- b. Sheet 10.0 Conceptual Site Plan that shows the road pattern, non-motorized trails and bike paths, and emergency vehicle access.

## Exhibit R - Annexation Findings

- c. Sheet 11.0 Proposed Utilities that is limited to a preliminary plan for water and sewer.
- d. Sheet 12.0 Proposed New and Relocated Easements that will require approvals from easement beneficiaries for relocation and specific alignments for new easements for the variety of purposes across the property.
- e. Sheet 14.0 Major Vehicle Circulation and Road Cross Sections that illustrate approximate alignments and conceptual sections that utilize the dimensions requested via waivers.
- f. Addendum #11, Sheet 15.1 - Amended Large Block Plat.
- g. Addendum #12, Figure 44, Sheet 15.1 - Amended Large Block Plat.
- h. Addendum #15, Figure 46, Size of Development Parcel D.
- i. Addendum #16, Figure 47, N2 Parcel.

In considering the appropriate zoning for the property, the Commission recommended the creation of additional blocks to reflect the land uses proposed. This modified "pre-preliminary" plat (See Attachment 4: Recommended Zoning and Conceptual Large Block Plat) illustrating the zoning was recommended to be included as an exhibit to the Annexation and Development Agreement. Due to the conceptual nature of the development at this point, a formal large block plat shall be submitted when site, road and utilities planning and design for the property becomes more detailed and complete. The *concepts* of the waivers have been considered with the decisions noted herein and memorialized in the Annexation and Development Agreement.

The Commission recommended and the Council agreed that, while dedication to the public of minor roads may remain a decision for the future, it is appropriate to require public access on all roads, with very limited exceptions to service areas where safety may be of concern. This may ultimately be important to the function of the roadways together with the non-motorized paths proposed throughout the development.

The Commission recommended and the Council agreed that a large block plat be submitted when more detailed planning has been done and that such plat shall contain or otherwise address, including but not limited to, the following:

1. Easements: Easement holders will need to approve of relocated easements; potentially approving amended easement documents, or otherwise providing permission to relocate on the plat.
  - Blaine County Recreation District
  - Intermountain Gas
  - State of Idaho - Stock Drive
2. Roads:
  - Dedications at the time the large block plat is processed
  - Snow storage easements, if any outside road ROWs for example
3. Large Blocks/Lots:
  - Block/lot sizes, dimensions

## Exhibit R - Annexation Findings

### H. COUNCIL MOTIONS AND CONDITIONS, this 22nd day of April, 2010:

#### Ketchum City Council's Motions of Approval:

- 1) Upon motion by Council President Larry Helzel, second by Councilor Curtis Kemp, and unanimous vote in favor (4-0), The Ketchum City Council **approves** the application by Sun Valley Company for annexation of the 138-acre property known as the River Run Neighborhood, subject to the 2001 Comprehensive Plan and Land Use Designations delineated herein, subject to the following zoning code regulation waivers and conditions of approval numbers 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 31, 32, 33, 34, 35, 36, 38, 39, 40, 41, 42, 44, 45, 46, and 47; and
- 2) Upon motion by Council President Larry Helzel, second by Councilor Gourlay, and a vote of three in favor (Helzel, Gourlay and Kemp) and one opposed (Jonas) (3-1), The Ketchum City Council **approves** the application by Sun Valley Company for annexation of the 138-acre property known as the River Run Neighborhood, subject to the 2001 Comprehensive Plan and Land Use Designations delineated herein, subject to the following zoning code regulation waivers and conditions of approval numbers 4, 30, 37, and 43.
- 3) Upon motion by Councilor Baird Gourlay, second by Councilor Curtis Kemp, and unanimous vote in favor (4-0), the Ketchum City Council recommends **approval** of the request for waiver to Zoning Code Section 17.124.060, Off Street Parking Space requirements and that the waiver is **not detrimental** to the public welfare, health and safety nor injurious to property owners in the immediate area based on the findings herein including: analysis within the staff report and attachments, parking ratio table provided by the Applicant in Addendum #3 of the application; the Commission findings and recommendations, and the Council's deliberation and findings.
- 4) Upon motion by Councilor Baird Gourlay, second by Councilor Curtis Kemp, and unanimous vote in favor (4-0), the Ketchum City Council recommends **approval** of the request for waiver to Zoning Code Section 17.124.090, Sidewalks, Curbs and Gutters standards requirements and that the waiver is **not detrimental** subject to City approval of the future design of roadways; determination at that time that sidewalk, curb and gutter improvements are not necessary to meet the City standard cross-sections; and that the waiver is **not detrimental** to the public welfare, health and safety nor injurious to property owners in the immediate area based on the findings herein, including: future design details subject to approval by the City of Ketchum, analysis of the mixed uses and development with the Tourist (T) Zoning District, the Commission findings and recommendations, and the Council's deliberation and findings.

## Exhibit R - Annexation Findings

### **Ketchum City Council's Conditions of Approval by Topic:**

#### **Annexation**

- 1) An Annexation and Development Agreement shall document the conditions of approval contained herein below. Said Agreement shall include provisions for amendments or renegotiation to allow the City and the Applicant to address changes including but not limited to substantial changes in the Master Plan for the property, changes in global and local economic circumstances, URA plans, and alternatives to satisfying the conditions and requirements of this approval.

#### **Zoning and Land Use**

- 2) Comprehensive Plan Land Use Map: No changes to the general categories identified on the Land Use Map are recommended. However, uses shall be limited or modified as identified in Table 1 to reflect the transition of uses within the River Run Neighborhood. The uses shall be specifically named in the Annexation and Development Agreement. Language in the Development Agreement shall use terminology from the relevant chapters of the Ketchum Zoning Code wherever possible.
- 3) Zoning Designations shall be applied to the subject property as illustrated in Attachment 4: Map of Recommended Zoning Designations and Conceptual Large Block Plat, and as limited and/or noted in the Table 1 below; and modifying Blocks 1 and 2; and creating Blocks 3 through 7. Table 1 below lists the prohibited and conditional uses that become permitted uses within each Block.
- 4) Regarding Parcel D (aka R-2) within Block 5: The riparian setback shall be 100 feet from the Mean High Water Mark (MHW) along Trail Creek and the Big Wood River (see condition #37). There shall not exceed an average of 2 units per acre, the area of which is calculated excluding area within the riparian setbacks and wetlands. The maximum average house footprint shall be 2,500 square feet including garage and decks. An environmental consultant selected by the City shall work with the applicant on the location of the home sites, respecting native vegetation. The various environmental studies should be reviewed and updated if site conditions change. At design review and/or subdivision of this portion of Block 5, the following elements of the project should be addressed: lighting, preservation and/or introduction of native vegetation, area of ground disturbance, CC & R regulations addressing at large domestic animals, public access along the waterways, construction fencing, and minimizing road design and surface parking impacts.

## Exhibit R - Annexation Findings

**Table 1: RR Annexation Area: Approved Zoning; Prohibited Uses; Permitted Uses Formerly Conditional; and Conditional Uses**  
 (See Addendum #12, Figure 43, Sheet 7.1 Amended Proposed Zoning and Figure 44, Sheet 15.1 Amended Large Block Plat/Zoning)

Large Blocks	Zoning & Overlay Districts	Approximate Acreage	Uses within Zoning District: Prohibited Uses, Permitted Uses Formerly Conditional, and Conditional Uses
Block 1: Village Core/Hotel Core	Tourist (T)	21.76	<p><u>(T) Prohibited:</u></p> <ul style="list-style-type: none"> <li>Dental clinics Nursing Homes or sanitariums</li> <li>Banks, savings and loan, and financial institutions, except automatic teller machines (ATMs) are allowed</li> <li>Non-resort operations offices; except as specifically allowed in Condition #9 and the Annexation and Development Agreement.</li> </ul> <p><u>(T) Permitted uses formerly conditional:</u></p> <ul style="list-style-type: none"> <li>On-site parking</li> <li>Recreation</li> </ul> <p><u>(T) Conditional uses:</u></p> <ul style="list-style-type: none"> <li>Non-resort operation office uses over 50,000 square feet</li> </ul>
Block 2: Residential Area A	Tourist (T) & Recreation Use (RU) along Trail Creek	21.75, includes 1.8 Open Space	<p><u>(T) Prohibited:</u></p> <ul style="list-style-type: none"> <li>Dental clinics with the exception of spa or ski patrol related medical uses will be allowed</li> <li>Nursing Homes or sanitariums</li> <li>Banks, savings and loan, and financial institutions, except automatic teller machines (ATMs) are allowed</li> </ul> <p><u>(T) Permitted uses formerly conditional:</u></p> <ul style="list-style-type: none"> <li>On-site parking</li> <li>Recreation</li> </ul> <p><u>(T) Conditional uses:</u></p> <ul style="list-style-type: none"> <li>Non-resort operation office uses over 50,000 square feet</li> </ul>
Block 3: Ecological Park and South Hillside	Recreation Use (RU) on all except Agriculture/Forestry (AF) on the hillside south of the Big Wood River and adjacent to Reinheimer hillside zoned AF	30.76	<p><u>(RU) &amp; (AF) No change:</u></p> <ul style="list-style-type: none"> <li>Uses are regulated per the Ketchum Zoning Code</li> </ul>
Block 4: Residential Area B and Entry @ Serende/SH75	Tourist (T) on all except Recreation Use (RU) on the portion of the block at SH75 elevation providing OS at entry roundabout consistent	8.82, includes parcel for Community Housing described in Council Condition 44.	<p><u>(T) Prohibited:</u></p> <ul style="list-style-type: none"> <li>Dental clinics with the exception of spa or ski patrol related medical uses will be allowed</li> <li>Nursing Homes or sanitariums</li> </ul>

## Exhibit R - Annexation Findings

	with south side of Serenade Lane & along Trail Creek		<ul style="list-style-type: none"> <li>Banks, savings and loan, and financial institutions, except automatic teller machines (ATMs) are allowed</li> </ul> <p><u>(T) Permitted uses formerly conditional:</u></p> <ul style="list-style-type: none"> <li>On-site parking</li> <li>Recreation</li> </ul> <p><u>(RU) No Change</u></p> <ul style="list-style-type: none"> <li>Uses are regulated per the Ketchum Zoning Code</li> </ul>
Block 5: Residential Areas C and D including the OS between	Tourist (T) & Recreation Use (RU) along Trail Creek, including 100-foot setback along Trail Creek and Big Wood River shown in Addendum #15, Figure 46, Size of Development Parcel D	24.26, includes 1.4 Open Space	<p><u>(T) Prohibited:</u></p> <ul style="list-style-type: none"> <li>Dental clinics with the exception of spa or ski patrol related medical uses will be allowed</li> <li>Nursing Homes or sanitariums</li> <li>Banks, savings and loan, and financial institutions, except automatic teller machines (ATMs) are allowed</li> </ul> <p><u>(T) Permitted uses formerly conditional:</u></p> <ul style="list-style-type: none"> <li>On-site parking</li> <li>Recreation</li> </ul> <p><u>(RU) No Change</u></p> <ul style="list-style-type: none"> <li>Uses are regulated per the Ketchum Zoning Code</li> </ul>
Block 6: Recreation	Agriculture/Forestry (AF) & Recreation Use (RU) along the Big Wood River	16.55	<p><u>(RU) &amp; (AF) No change:</u></p> <p>Uses are regulated per the Ketchum Zoning Code</p>
Block 7: Mixed Use and River Run existing Base Lodge	Tourist (T) & Recreation Use (RU) along the Big Wood River	14.28	<p><u>(T) Prohibited:</u></p> <ul style="list-style-type: none"> <li>Dental clinics with the exception of spa or ski patrol related medical uses will be allowed</li> <li>Nursing Homes or sanitariums</li> <li>Banks, savings and loan, and financial institutions, except automatic teller machines (ATMs) are allowed</li> <li>Non-resort operations offices, except as specifically allowed in Condition #9 and the Annexation and Development Agreement</li> </ul> <p><u>(T) Permitted uses formerly conditional:</u></p> <ul style="list-style-type: none"> <li>On-site parking</li> <li>Recreation</li> </ul> <p><u>(RU) No Change</u></p> <ul style="list-style-type: none"> <li>Uses are regulated per the Ketchum Zoning Code</li> </ul>

## Exhibit R - Annexation Findings

- 5) The Floodplain Overlay District, based on the existing FEMA mapping, shall be applied as it affects the property, as shown on Sheet Number 5.0, in the August 12, 2009 submittal. Modified boundaries of the Overlay District will be applied upon approval by FEMA of the LOMA application.
- 6) The Avalanche Overlay District shall be applied as it affects the property as shown on Sheet Number 15.0, Large Block Plat, in the August 12, 2009 submittal.
- 7) The Mountain Overlay District shall be applied as it affects the property (contiguous areas of 25% slope as shown on Sheet Number 4.0, Existing Slopes, in the August 12, 2009 submittal).
- 8) A maximum 35,000 gross square feet of retail and restaurant uses are permitted, not including sports equipment storage areas or back of house food and beverage areas that are both allowed uses but are not to be counted toward the square footage cap. Retail uses should be related to resort guests.
- 9) A maximum amount of 50,000 gross square feet of non resort-related office space is permitted. Further definition of resort and non-resort office space relative to the maximum amount of office space permitted in Table #1 should be provided in the Development Agreement. The maximum is a cumulative total for the annexation area.
- 10) Conditions related to the Large Block Plat will be developed during a subsequent evaluation of the entire site. This will include: FEMA approved floodplain and floodway boundaries; plat notes regarding sheet flooding; riparian setback; preservation of riparian vegetation (within the riparian setback); easement holders to approve of relocated easements, potentially approving amended easement documents, or otherwise providing permission to relocate on the plat; dedications at the time the large block plat is processed; snow storage easements, if any outside road ROWs; block/lot sizes; dimensions; and other requirements resulting from plat application evaluation and decision.

### **Roads, Parking, Circulation**

- 11) The following roads are approved at this time subject to the specifications listed below. Final acceptance of these roads will be subject to City approval of grades, cross sections and other engineering and design details.
  - a. Serenade Lane: 60' ROW and 26' paved curb and gutter included (compliance with standards)
  - b. Third Avenue only to the point of its intersection with Serenade Lane: 60' ROW and 26' paved curb and gutter included (compliance with standards)
  - c. Second Avenue: 60' ROW and 26' paved, curb and gutter included (compliance with standards)

## Exhibit R - Annexation Findings

- 12) The decision as to whether Second Avenue or Serenade Lane should be the through street shall be made at the time of final roadway design, and subject to a review of anticipated traffic volumes.
- 13) Turnaround for fire and emergency apparatus shall be provided at the Mountain Office on the west side of the Big Wood River, or other means to satisfy Fire Department requirements.
- 14) Dedication and acceptance of roads listed in Condition #11 shall take place upon recordation of a final plat for the property. The City shall not maintain said roads until such acceptance has been formalized. Consideration of dedication and waivers for minor roads shall be evaluated and may be accepted upon future review of specific PUD, subdivision and/or design review applications required for each area or phase proposed.
- 15) The City shall continue to maintain those portions of Serenade Lane, Second Avenue and Third Avenue as it does at the time of annexation until such time as said roads are constructed in new, approved alignments and to City standards.
- 16) Residential and hotel parking calculations are based on the parking ratio table within Addendum #3 of the application. The actual number of parking spaces required shall be calculated based on this table at the time of Design Review and/or Subdivision.
- 17) All roads shall have public access, whether dedicated or remaining private, with the exception of service roads. No gated roads are permitted.
- 18) A shared-use agreement for public parking during community events such as Wagon Day should be explored.
- 19) Sidewalks and a bike lane along the developed portions of Second and Third Avenues should be completed to encourage pedestrian access to and from downtown. Timing of these improvements should be identified in the Annexation and Development Agreement. The Applicant shall pay for a proportionate share of these improvements based on increased traffic attributed to the project at buildout as a percentage of total traffic.
- 20) As streets are designed and engineered, the Applicant should work with the City to develop a street hierarchy with respects to traffic and design for Third Avenue, Second Avenue and Serenade Lane/Highway 75.
- 21) Any and all modifications to the main Wood River Trail are subject to review and approval by the Blaine County Recreation District prior to any construction. This may include public input if desired by the District.

## Exhibit R - Annexation Findings

- 22) The Applicant shall dedicate a public, non-motorized access from the Bird Drive ROW in West Ketchum into the River Run property in order to access the River Run Base area.
- 23) The Applicant shall dedicate a public, non-motorized access from the Harriman Place project into the site.
- 24) Public skier parking will continue to be available over the period of time that existing surface parking lots are converted to development. The phasing of the exchange of surface for structured parking shall be presented to the City as part of the Sequencing Table.

### **Utilities**

- 25) The applicant shall present information and plans for irrigation and potable water consumption and fire protection to enable water issues to be addressed in the Annexation and Development Agreement. Those issues shall include but not be limited to supply, storage, wells, irrigation and municipal water rights, well easements, redundancy, compliance with DEQ standards, and the potential for re-use for irrigation.

The applicant shall present any additional information that is necessary to determine the impact of the development of River Run on city sewer service which shall also be addressed in the Annexation and Development Agreement.

- 26) The sequencing of construction of water and sewer infrastructure shall be identified in the Annexation and Development Agreement.
- 27) A financial strategy for extending water and sewer improvements shall be identified in the Annexation and Development Agreement.
- 28) All existing, relocated and new utility lines will be underground on-site. New utility lines off-site shall comply with the City's Power Franchise Agreement.
- 29) Required fire flows shall be achieved per adopted fire codes.

### **Fees, Payments, Permits**

- 30) Annexation fees are waived in total.
- 31) Other necessary permits shall be obtained, including but not limited to:
  - a. Big Wood River and Trail Creek bridge crossings: Environmental Protection Agency, Department of Environmental Quality, Army Corps of Engineers, Idaho Department of Water Resources and City
  - b. Letter of Map Amendment from FEMA for new Floodplain

## Exhibit R - Annexation Findings

- c. Any wetlands encroachments: Army Corps of Engineers, State, City
- d. Idaho Transportation Department approval of roundabout or new intersection; acquisition of land to accomplish it
- e. Municipal water permits from Idaho Department of Water Resources, if required by the City
- f. Easement holders to approve of relocations/realignments where proposed:
  - i. Idaho Transportation Department Sheep Trail/Blaine County Recreation Department Wood River Trail and Spur
  - ii. Intermountain Gas

### Fiscal

- 32) The Annexation and Development Agreement shall include annexation of this property into the Urban Renewal District. The Council recommends that the Urban Renewal Agency dedicate fifty percent (50%) of the revenues generated from the River Run property being included in the Urban Renewal District dedicated toward eligible public infrastructure improvements associated with the River Run development including but not limited to skier parking structures, on-site utilities extensions and roads. These improvements will be incorporated into the Urban Renewal Agency's Capital Improvement Plan.
- 33) The City supports the consideration of an LID, CID or other public/private financing mechanism to facilitate the financing of public infrastructure related to the project.
- 34) The Development Agreement shall contain a section addressing lift ticket and season pass sales generated from the River Run property such that a reasonable proportionate share of all lift ticket/season pass sales are retained at River Run or within Ketchum City limits.
- 35) The Blaine County School District request for approximately \$518,803.00 mitigation for impacts to schools shall be mitigated as follows:

One-half of one percent (0.5 percent) of the 50% of the URA funds accrued from the River Run property brought into the Urban Renewal District (URD) to be committed to public infrastructure at River Run up to \$259,401.50; and

One-half of one percent (0.5 percent) of the 50% of the URA funds accrued from the River Run property in the URA to remain with the URA up to \$259,401.50.

Said funds shall be paid proportionately from the funds received from the River Run increment by the URA annually. In the event the Ketchum URA cannot or does not agree to provide the above-described funds to the School District, the School District and the Applicant should address the need described in the School District letter dated January 11, 2010.

## Exhibit R - Annexation Findings

### **Public Amenities, Recreation and Open Space**

- 36) The Applicant should develop the Ecological Park accesses and learning centers/trails per Environmental report as outlined in the Revised Sequencing Table, Addendum #4 to the application.
- 37) Riparian setbacks for all areas outside the hotel core PUD boundary shall be as follows:
- a minimum of 100 feet from the Mean High Water Mark (MHW) from both Trail Creek and the Big Wood River in Area D (parcel R-2) in Block 5 on the Large Block Plat. Said lands shall be dedicated to the City via a conservation easement with the City as a holder. A plan for public access should be developed for this area;
  - a minimum of 50 feet from the MHW on the remainder of Trail Creek, including side channels of said waterways;
  - a minimum of 50 feet from the MHW of both the Big Wood River and Trail Creek within the EcoPark; and
  - a minimum of 10 feet from the MHW along both banks of the Big Wood River and Trail Creek shall be dedicated as a fisherman's/public access easement.

Riparian setbacks within the PUD boundary shall be governed by the PUD Findings of Fact.

- 38) The Applicant shall dedicate an easement and construct that portion of River Run to the Warm Springs base facilities trail on Sun Valley Company owned property. The Applicant will partner with the City, Warm Springs Ranch Resort, the US Forest Service, Bigwood Backcountry Trails and other stakeholders in the design of this trail. Timing of construction located within the sequencing table.
- 39) The City shall accept the dedication of parcel N2 and the adjacent open space as active park lands or community housing mitigation or other municipal uses, at the discretion of the City. Parcel N2 shall be dedicated through an amended Large Block Plat. The City is responsible for any and all improvements on Parcel N2. Concurrently, the Applicant shall continue to work collaboratively with the City on the development of an acceptable alternative park of three (3) acres or greater in the greater Ketchum area. If an acceptable alternative is reached within thirty-six (36) months, the 0.75% Real Estate Transfer Fee outlined in Condition #43 shall be lowered to 0.50%.
- 40) The Applicant should develop a multi-modal path within the agreed upon riparian setback along Trail Creek, within the Ecological Park and along the Big Wood River, utilizing pesticide-free methods in accordance with City Code as related to the floodplain and riparian areas.

## Exhibit R - Annexation Findings

- 41) The Applicant and the City shall work with the paragliding community to explore appropriate landing sites. Paraglider landing may continue until the property is developed. If landing at Reinheimer Ranch is allowed, the Applicant will provide access to the site.

### Housing

- 42) The Applicant shall construct or acquire new workforce housing, based on the employee housing formula for hotels in the Ketchum City Code Title 17. This housing may be located in Ketchum or Sun Valley city limits. The development agreement shall outline the timeframe for the construction of the housing.
- 43) To mitigate impacts to community housing and active parks, and in consideration of the waiver of the annexation fee, the Applicant shall grant to Ketchum a license to charge a Real Estate Transfer fee of 0.75% (three-quarters of one percent) of the gross selling price of each lot or unit within the project commencing with the sale of the first lot or unit. Said transfer fee shall be dedicated either to the development of community housing in Ketchum, and held in a separate Community Housing Fund, and/or to the development of active parks, held in a separate Parks fund. The Urban Renewal Agency should match dollar for dollar that portion of the funds dedicated toward community housing, similarly dedicating funds to the Community Housing Fund. As outlined in Condition #39, this Real Estate Transfer fee shall be reduced to 0.50% (fifty percent) if the terms of Condition #39 are met.
- 44) The westerly portion of the parcel at the northwest corner of Serenade Lane and Highway 75 shall be dedicated to the City of Ketchum for community housing, with dedication to occur after adjacent roadways are fully designed.

### Snow Storage

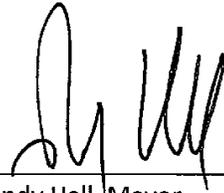
- 45) The current snow storage site shall be available for a minimum of five (5) years after the date of adoption of the Annexation and Development Agreement. The Applicant shall provide the City with a minimum of two (2) years advance notice of development of site used for snow storage provided by the Applicant. The Annexation and Development agreement shall outline the terms, including contingency on approval of County and other applicable permits, of a long term lease of at least 2 acres of land owned by the Applicant at Cold Springs or another location agreeable to both City and Applicant to be used for municipal snow storage.
- 46) Adequate per-storm snow storage for the entire site shall be demonstrated at specific PUD and/or design review applications.

## Exhibit R - Annexation Findings

### Emergency Services (Fire/Police)

- 47) Compliance with codes for fire protection, including water supply and access for fire and emergency services apparatus, will be required at the time of more specific PUD application and/or design review. Requests for modification of certain road, parking, and circulation standards cannot be adequately evaluated with the level of detail presented at this time.

Approved the 7th day of June, 2010, and **adopted** this 6<sup>th</sup> day of July 2010



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Randy Hall, Mayor  
City of Ketchum, Idaho