



# City Council

## Regular Meeting

~ Minutes ~

480 East Avenue North  
Ketchum, ID 83340  
<http://ketchumidaho.org/>

Robin Crotty  
208-726-3841

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Monday, August 7, 2017

5:30 PM

Ketchum City Hall

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**Present:** Mayor Nina Jonas  
Council President Jim Slanetz  
Councilor Anne Corrock  
Councilor Michael David  
Councilor Baird Gourlay

**Also Present:** Ketchum City Administrator Suzanne Frick  
Ketchum City Attorney Matt Johnson  
Finance Director/Internal Controls Grant Gager  
Director of Planning & Building Micah Austin

**1. CALL TO ORDER: By Mayor Jonas**

Mayor Nina Jonas called the meeting to order at 5:33 p.m.

**2. ROLL CALL**

**3. APPROVE COUNCIL MEETING AGENDA POSTING: RECEIVE AND APPROVE THE REPORT OF THE CITY CLERK OF THE POSTING OF THIS MEETING'S AGENDA NOTICE.**

**4. COMMUNICATIONS FROM MAYOR AND COUNCILORS**

Councilor Baird Gourlay talked about the Warm Springs sidewalk project. There will be an update at the KURA meeting August 22nd. Baird Gourlay questioned the quantity of Real Estate signs that are popping up throughout the City and explained that no ordinance was done because the real estate community said they would self-monitor. That is not happening. Baird Gourlay advised that they have two strikes against them and asked the Real Estate Community to address this issue.

Council President Jim Slanetz praised the Fun Friday events that are sponsored by our Parks & Recreation Department.

Councilor Michael David voiced concerns over the power outage scare. He was a little taken back by the lack of information that prompted the scare. He would like an explanation of this. Mayor Nina Jonas explained that Assistant City Administrator Lisa Enourato reached out to Idaho Power for an explanation and Nina Jonas will be reaching out to Idaho Power tomorrow.

**5. COMMUNICATIONS FROM THE PUBLIC**

**a. Sun Valley Ski Education Foundation presentation regarding Economic Development in the Valley President, Sam Adicoff.**

Sam Adicoff Executive Director of the Sun Valley Ski Education Foundation gave a power point presentation explaining their history, who they are and talked about academics and what they offer. He gave a background of their budget, talked about the 2015-2016 economic impact and about the events

they sponsored as well as the donations they receive. Sam Adicoff asked Council for questions. Councilor Anne Corrock questioned how many families have relocated to Ketchum.

**b. Sun Valley Economic Development Second Quarter update – Executive Director Harry Griffith**

Executive Director Harry Griffith gave a second quarter update. He distributed a handout to the council and went over the events that SVED has supported. He talked about contacts for SVED and advised that SVED has completed a grant application for 2018 from the Dept. of Commerce. Harry Griffith talked the responses to the RFI that came from the state and updated Council on strategic recruitment. He talked about property tax exemption as well as recruitment activities and projects SVED is involved in. Mayor Nina Jonas questioned tax exemptions and how they work. Harry Griffith explained and gave examples of mixed use development. Councilor Anne Corrock asked for further clarification on the legislation he is talking about. Harry Griffith went into more detail.

Mayor asked for comments from the public there were none.

**6. CONSENT AGENDA**

- a. **Approval of Minutes: Regular Meeting July 17, 2017**
- b. **Approval of Minutes: Workshop July 19, 2017**
- c. **Authorization and approval of the disbursement of funds from the City's treasury for the payment of bills in the total sum of \$912,452.09, as presented by the Treasurer.**
- d. **Authorization and approval of the payroll register**
- e. **Approval of Final Plat for Kneebone Mixed Use Condominium Development– Director of Planning & Building Micah Austin**

Mayor Nina Jonas asked for approval of the consent agenda.

Councilor Jim Slanetz questioned Idaho Power bill for \$1,430. Director of Finance and Internal Services Grant Gager will go over the Idaho Power bills with Jim Slanetz prior to paying.

**Motion to approve the Consent Calendar**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Baird Gourlay, Councilor
<b>SECONDER:</b>	Michael David, Councilor
<b>AYES:</b>	Michael David, Anne Corrock, Baird Gourlay, Jim Slanetz

**7. COMMUNICATIONS FROM STAFF**

- a. **Presentation on research regarding housing impacts of short term rentals and unoccupied homes in Ketchum– Genevieve Pearthree, Arizona State University**

Director of Planning and Building Micah Austin introduced Genevieve Pearthree and outlined the objectives of her research. He advised that the amount of vacation rental numbers change on a day to day basis.

Genevieve Pearthree gave a power point presentation explaining her research on the High Cost of Short-Term Rentals & Unoccupied Second Homes. She went over the research goals and data sources as well as the City of Ketchum's 2014 Comprehensive Plan and talked about Ketchum's housing challenges. She went over the characteristics of STR's listed in the fall of 2016 and talked about where they are all primarily located. Genevieve talked about vacation homes and the inverse relationship between

population, occupied homes and vacation homes. She talked about how we got here and when and how these numbers started to grow. She went over how this impacts people trying to find a long-term rental and went over Ketchum median home value and median family income as well as the median income in Blaine County. She compared Hailey prices to Ketchum prices and talked about other negative impacts beyond housing affordability. She talked about STRs in residential areas and homeowner exemptions and went over positive impacts of STR's and vacation homes. Genevieve talked about the impacts of H.B. 216, the Short-Term Rental and Vacation Rental Act and offered suggestions as to how Ketchum can move forward. She asked Mayor the and Council for questions.

Councilor Michael David asked for clarification regarding HB 216. Genevieve Pearthree explained. Michael David questioned the possibility of taxes on empty houses. She will do research on this and get back to him.

Council President Jim Slanetz questioned the amount of long term rentals being advertised in the newspaper. He finds the data a little hazy. Councilor Michael David feels the paper is still widely used and explained that available inventory is what is important.

Councilor Baird Gourlay talked about a report from the Colorado Association of Ski Towns and a cost benefit analysis on STR's for home-owners. He would like to see these numbers for Ketchum. Baird Gourlay questioned If other jurisdictions are coming online with health safety issue regulations. Genevieve Pearthree said other states have them but she does not know of any in Idaho. The goal of regulating was discussed. Baird Gourlay advised that the goal is to get more long-term rentals. Councilor Michael David talked about incentivizing long term rentals.

Mayor Nina Jonas opened the meeting up to public comment.

William Glenn talked about the quality of tenants he has experienced with long term rentals and outlined all the positives he has experienced with short term rentals. He talked about diversifying income and is happy with the new legislation. He talked about life safety issues being a concern. Mr. Glenn advised that VRBO is offering a 1M liability policy for every rental. Councilor Michael David clarified that the council is not against short term rentals, they are just trying to look at the effect they have on Ketchum.

Christine Kielich talked about the rental she has and offered suggestions of how to collect tax and how the funds could be used to build long term rentals. She is concerned about certain parts of town not being zoned for STR's. Mayor Nina Jonas clarified that some zones don't allow short term rentals but that has not been enforced. Mayor Jonas explained that our current Local Option Tax Ordinance does not allow us to use the tax for housing and City Attorney Matt Johnson explained certain legal aspects.

Ed Johnson new resident of Ketchum advised that there are no rental ads on Craig's List for Ketchum. He called on every ad in the newspaper. The only way he was able to get into a space was to pay a whole year up front. He does encourage STR's but would like the city to come up with a solution to the housing issue.

Neil Bradshaw questioned the collection rate. Finance Director Grant Gager gave the 2016 statistics and talked about the number of sales permit holders we have in Ketchum. He gave percentages of collection. Neil Bradshaw asked about Airbnb doing the collection. Mayor Nina Jonas explained the new legislation.

Dick Fenton asked if we need to negotiate with each of the market places and said that this is not speaking to the long-term rental topic. He would like a policy in place as soon as possible. The topic of

business licenses for short term rentals was discussed. Finance Director Grant Gager explained that we issue a sales tax permit to people who are doing this type of business. He gave the numbers of how many sales tax permits the city is currently holding. Dick Fenton talked about the statute. Attorney Matt Johnson read the statute to the council and the requirements of the ordinance was discussed. Grant Gager explained the research that has been done to date.

Harry Griffith Sun Valley Economic Development talked about the possibility of giving a Long-Term Rental exemption. This may encourage long term rentals.

William Glenn referred to his conversation with Kathleen Schwartzenberger when he first opened his rental. He asked if the permit is proprietary or public.

Charles Ferries III explained that if you rent for longer than 1 month you don't pay the taxes. They are only paid on short term rentals.

Genevieve Pearthree responded to Harry Griffith explaining that she has not found anything about any property tax exemptions but will continue to research. She talked about rental listings and the tax rates that are being advertised as well as the listings and what companies list them.

**b. Recommendation to approve Contract # 20054 for Mutual Aid Agreement between Stanley Ambulance and the City of Ketchum**

Fire Chief Mike Elle is working on updating all agreements. This agreement has not been entered into since the 1980's. It's just been a verbal one over the last number of years. Chief Elle gave the background on what the Stanley Ambulance Service does. There is no cost to the City and Chief Elle is requesting approval of the Agreement. Mayor Nina Jonas asked how this effects a large event. Mike Elle explained how the agreement will work with the Eclipse Event as well as the day to day procedures of mutual aide.

**Motion to approve the City of Ketchum Fire Department and Stanley Ambulance District Mutual Aid Agreement**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Michael David, Councilor
<b>SECONDER:</b>	Jim Slanetz, Council President
<b>AYES:</b>	Michael David, Anne Corrock, Baird Gourlay, Jim Slanetz

**c. Recommendation to approve Contract # 20055 Parking Lot Bid Package – Director of Finance & Internal Services Grant Gager**

Director of Finance & Internal Services Grant Gager explained that the Parking Lot Bid Package and the Parking Lot Lease are both continuations from a discussion on December 19th. He explained that the City has been working with Galena Engineering on the City Lot on 2nd and Washington and the URA Lot on 1st and Washington. The URA has committed \$75,000 to the project. He gave details about the bids received and the funds that have been dedicated from the KURA and what needs to be funded by another source.

Councilor Baird Gourlay questioned the percentage for the KURA Lot. Councilor Anne Corrock asked how we are funding this. Director of Finance & Internal Services Grant Gager explained there will be money in the General Fund budget to pay for this work. Budget adjustments will be shown at the next council meeting.

Councilor Michael David asked for a timeline for completion. Director of Finance Grant Gager explained that the project should be completed in early October.

**Motion to approve award of contract #20055 with Lunceford Excavation in an amount not to exceed \$112,818.50.**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jim Slanetz, Council President
<b>SECONDER:</b>	Anne Corrock, Councilor
<b>AYES:</b>	Michael David, Anne Corrock, Baird Gourlay, Jim Slanetz

**d. Recommendation to approve Contract # 20057 Parking Lot Equipment Bid Package – Director of Finance & Internal Services Grant Gager**

Director of Finance and Internal Services Grant Gager talked about the plan to implement parking on that lot. An RFP was issued and there was a competitive evaluation process and demonstrations were done. The committee found Cale America to be the best option. Grant Gager explained the Kiosk and how it works.

Council President Jim Slanetz asked if the Kiosks are portable. Director of Finance and Internal Services Grant Gager explained that they are. Councilor Baird Gourlay questioned enforcement. Grant Gager and City Administrator Suzanne Frick talked about the enforcement with the police department and the outdated technology that is currently in place and how it needs to be updated. Baird Gourlay asked about the placement of the machines and questioned if it is solar powered. Grant Gager explained the location and the solar power was discussed among council. Councilor Anne Corrock questioned the enforcement equipment. Suzanne Frick explained the change out process and how it will be implemented.

**Motion to approve award of contract #20057 with Cale America in an amount not to exceed \$24,397.**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Baird Gourlay, Councilor
<b>SECONDER:</b>	Jim Slanetz, Council President
<b>AYES:</b>	Michael David, Anne Corrock, Baird Gourlay, Jim Slanetz

**e. Recommendation to approve KURA Parking Lot Lease – City Administrator Suzanne Frick**

City Administrator Suzanne Frick explained that the KURA is asking the City to enter into a Parking Lot Lease with the KURA and is looking for direction from the Council on a number of points. The points discussed were, if the council wants the lease to be exclusive, if the council agrees with a payment to the KURA in the amount of \$2,000 a month, how the termination clause should read and if it should be a one-year contract. There were questions regarding the indemnification clause as well as Insurance questions. Councilor Baird Gourlay said it is the cities prerogative to use the LOT as they see fit. The council agreed with the payment of \$2,000 monthly and when that would begin. It was decided that the contract would be reciprocal and the indemnification clause will be removed. ICRMP will be contacted regarding any insurance questions. It was decided that upon termination of the contract a 30-day notice would be given and the lot would be restored to its original state. Director of Planning & Building Micah Austin clarified that the site is clear of hazardous materials.

This topic will be on the August 22, 2017 KURA agenda.

**Motion to authorize staff to approve the lease with provisions to the KURA and authorize the Mayor signature.**

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Baird Gourlay, Councilor
<b>SECONDER:</b>	Jim Slanetz, Council President
<b>AYES:</b>	Michael David, Anne Corrock, Baird Gourlay, Jim Slanetz

f. **Discussion of RFP for Housing on 6th Street and Leadville Avenue Property – City Administrator Suzanne Frick**

City Administrator Suzanne Frick explained that on June 19th direction was given to staff to create an RFP for the 6th and Leadville site for housing and restore public parking. Staff is looking for approval from council of the RFP prior to putting it out. She explained all that is being asked of council and talked about what would be required. She talked about the rent levels and about the entitlements for the project and if they should be handled thru a development agreement. Suzanne Frick is looking for direction and feedback on this request for proposal.

Councilor Baird Gourlay asked about the development agreement and how we deal with retail on the ground floor and a zoning issue? Director of Planning & Building Micah Austin explained that all retail use would be allowed on the ground floor. You would need a conditional use permit for an office. Mayor Nina Jonas asked if retail was defined anywhere. Micah Austin explained that it is broadly defined. Attorney Matt Johnson advised that thru the development agreement we could allow other uses. Micah Austin read the definition of retail uses. There was a discussion regarding the retail definition and the location of retail sales.

Councilor Michael David likes the definitions but talked about parking spaces and what should be required. Councilor Anne Corrock is looking more toward adding the word minimum to the 26 parking spaces and talked about her reasons for this. Council President Jim Slanetz questioned the height. Director of Planning & Building Micah Austin said that its measured from the very lowest point.

Mayor Nina Jonas opened the meeting up for public comment.

Dick Fenton is asking to make the RFP more complete to assist the developer. He questioned the retail aspect and said more clarification is needed as to where the retail is located. The FAR & height needs to be defined. We need more clarification on height and number of floors and what is allowable and direction on parking. City Administrator Suzanne Frick explained that the RFP will be clarified and advised that the Development Agreement could address these concerns.

Neil Bradshaw asked about putting in the RFP to offer an alternative regarding a swap for land or another creative idea. Talked about the housing and parking and suggested making another option possible thru the RFP process. He also questioned if the total pencils out. City Attorney Matt Johnson explained the scoring criteria and how to propose the RFP and the process on how to handle it.

Shawn Phillips read his public comment stating that we're facing a need for deed-restricted housing directed at people making between 60% -140% of median income. He pointed out that he is not on either side of the community housing debate.

Councilor Michael David talked about the RFP process. Mayor Nina Jonas questioned the development agreement and the Ordinance that we currently have. City Administrator Suzanne Frick explained that there are a number of areas that will be open for debate regardless if this is done by code or a development agreement. The interpretation could be in the development agreement. Director of Planning & Building Micah Austin explained ground floor usage.

Councilor Anne Corrock does not think it should be limited to any number and how broad to make the RFP was discussed. Councilor Baird Gourlay does not have any problems with the way in which this is being presented. He is in favor of sending the RFP out and see what we get back. This will be long term rentals and deed restricted. Mayor Nina Jonas would like to set a height restriction.

City Administrator Suzanne Frick asked for clarity on the parking for the RFP. Councilor Annie Corrock would like a minimum of 26 parking spaces. Councilor Michael David said our housing problem is far worse than our parking problem. Councilor Baird Gourlay suggested that 26 spaces be negotiable.

This will come back to council the first week in September.

**g. Discussion and direction from City Council to staff regarding zoning regulations prohibiting the subdivision of real property within the Avalanche Overlay district - Director of Planning & Building Micah Austin**

Director of Planning & Building Micah Austin asked council for direction on the avalanche code that was developed in 1979. In the last couple of years, we have not had any building in the avalanche zone. In the last couple of months there have been questions about splitting lots. He talked about the research that has been completed and what has been done up to now and why. The code does not support the split of lots. He is asking council to support the splits and change the code and advised that they do not want to create more density but to restrict the number of units that are allowed. He went over the studies that were done in the 1970's.

Councilor Baird Gourlay is good with making the change so we are allowing what we have done for the last 40 years. They discussed the overlay district. Bruce Smith with Alpine Enterprises explained the map and the city limits.

Mayor Nina Jonas asked council for questions. Director of Planning & Building Micah Austin distributed a written public comment to the council.

Councilor Baird Gourlay suggested correcting the ordinance and then have the study done ongoing.

Bruce Smith Alpine Enterprises talked about building in the avalanche zone. He gave the history of the ordinance and how this situation came to be. He explained that the way it has been being done is the right thing to do. Bruce Smith talked about the map being displayed and what has been built in the avalanche zone. He explained the studies that have been completed and talked about what will be shown if a new study is done. Mayor Nina Jonas asked for Bruce Smith's recommendation. He said it is not necessary to do an entire new study but the current study needs to be completed.

Mayor Nina Jonas asked council for questions. There were none.

Mayor Nina Jonas opened the meeting for public comment.

William Glenn talked about property he owned and what was required in the past for a retrofit. He talked about there being no avalanche experts recognized by the state engineering board.

Scott Desserault representing 5050 Ventures which is located partially in the avalanche zone explained that he wanted to voice his concern if the Ordinance is to change.

Letter from Jack Corrock was read aloud by William Glenn.

Bruce Smith, Alpine Enterprises, defended himself in regard to William Glenn's comments and advised that he is talking about reinforcing houses in the red zones.

Director of Planning & Building Micah Austin clarified that he is asking for staff to go forward to ask the Planning & Zoning commission to allow 11 units per acre in the avalanche zone. He would like the ordinance first and the study next and reiterated that currently he is only looking for direction.

Councilor Anne Corrock agrees with the 11 units per acre and no more than that in the Avalanche Zone. All councilors are in support

**8. PUBLIC HEARING: to begin at 6:00 p.m.**

**a. Second Reading of Appropriation Ordinance #1176 - Director of Finance & Internal Services Grant Gager**

Director of Finance and Internal Services Grant Gager asked council if they had any questions in regard to Appropriation Ordinance #1176.

There was a discussion among council and Attorney Matt Johnson regarding the ability of Councilor Michael David to vote on the budget. Matt Johnson explained that a conflict of interest determination needs to be worked on by council for a future budget. It is not possible to put in place for this piece. Matt Johnson explained that an internal policy needs to be created. He suggested referring to the City of Boise and the internal policy that they use. Mayor Nina Jonas directed staff to move forward with creating a policy for the future. Mayor Nina Jonas asked Councilor Baird Gourlay if he was good with this decision. Baird Gourlay advised that he does not see the conflict and thinks this puts Michael David in a bad position.

Councilor Michael David disclosed that he works for Mountain Rides.

Mayor Nina Jonas asked for comments from the public. There was none.

**Motion to approve second reading of Ordinance No. 1176, an Ordinance of the City of Ketchum Idaho, entitled the Annual Appropriation Ordinance for the fiscal year beginning October 1, 2017, appropriating to the various budgetary funds, sums of money deemed necessary to defray all necessary expenses and liabilities within each fund for the ensuing fiscal year, authorizing a levy of a sufficient tax upon the taxable property and specifying the objects and purposes for which said appropriation is made, and providing an effective date.**

<b>RESULT:</b>	<b>ADOPTED [3 TO 0]</b>
<b>MOVER:</b>	Baird Gourlay, Councilor
<b>SECONDER:</b>	Jim Slanetz, Council President
<b>AYES:</b>	Anne Corrock, Baird Gourlay, Jim Slanetz
<b>RECUSED:</b>	Michael David

**9. EXECUTIVE SESSION**

**a. Pursuant to Idaho Code §74-206 1(f)**

**b. Pursuant to Idaho Code §74-206 1(b)**

**Motion to go into Executive session at 9:59 p.m.**



**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Baird Gourlay, Councilor  
**SECONDER:** Jim Slanetz, Council President  
**AYES:** Michael David, Anne Corrock, Baird Gourlay, Jim Slanetz


**Motion to come out of Executive Session at 10:25 p.m.**

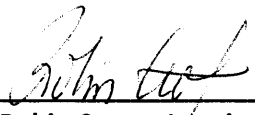
**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Anne Corrock, Councilor  
**SECONDER:** Jim Slanetz, Council President  
**AYES:** Michael David, Anne Corrock, Baird Gourlay, Jim Slanetz

**10. ADJOURNMENT**

**Motion to Adjourn at 10:26 p.m.**

**RESULT:** ADOPTED [UNANIMOUS]  
**MOVER:** Baird Gourlay, Councilor  
**SECONDER:** Jim Slanetz, Council President  
**AYES:** Michael David, Anne Corrock, Baird Gourlay, Jim Slanetz

  
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Nina Jonas, Mayor

  
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Robin Crotty, Interim City Clerk