



**City Council**  
**Special Meeting**  
**~ Minutes ~**

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

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Thursday, September 3, 2015

3:00 p.m.

Ketchum City Hall

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

**Also Present:** Ketchum City Administrator Suzanne Frick  
Ketchum City Attorney Susan Buxton  
Director of Planning and Building Micah Austin

**1. EXECUTIVE SESSION to discuss:**

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

**Motion to go into Executive Session at 3:05 p.m.**

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

**Motion to come out of Executive Session at 3:50 p.m.**

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

**2. CALL TO ORDER**

**3. COMMUNICATIONS FROM MAYOR AND COUNCILORS.**

**a. Communications from Mayor & Council**  
No comments

**4. COMMUNICATIONS FROM THE PUBLIC.**

**a. Communications from the public. For items not on the agenda.**  
No comments

**5. PUBLIC HEARINGS.****1. Discussion and consideration of a request from Trail Creek Fund LLC to amend the development agreement with the City of Ketchum as follows:**

Micah Austin Director of Planning & Building gave the history of the Development Agreement that was approved in 2008. Over time there have been 3 amendments to the development agreement. The current entitlements are due to expire October 6, 2015.

**a. Extend the deadline for expiration of the Development Agreement seven months, from October 6, 2015 to April 6, 2016. The purpose of this extension is to provide the adequate time to make the following modifications to the project, which will require amendments to various approvals, including Design Review, and Planned Unit Development.**

Micah Austin Director of Planning & Building explained that the only request being made today is to amend the development agreement by seven months and he outlined the six (6) requests that will go before the Planning & Zoning Commission for approval.

Micah Austin Director of Planning & Building outlined the public comments that were made regarding this project and directed council as to what council's responsibility is today.

Mayor Nina Jonas opened the meeting up to Council for questions.

Council President Michael David asked for clarification on what exactly council is making a decision on. Micah Austin Director of Planning & Building clarified by saying if council is opposed to the modifications they should not approve the extension and if they are in favor they should consider approval of the extension. Suzanne Frick City Administrator and Susan Buxton City Attorney clarified further.

Jack Bariteau - Managing Member of Trail Creek Fund LLC clarified what Trail Creek Fund LLC is asking for and what prompted the request. He addressed Employee Housing & Community Housing requirements and in-lieu fees. He went over a matrix of forecasted property taxes and what would go to the URA. Their intention is to begin building April 1, 2016. He asked for council guidance on making this hotel project even better than it already is.

Mayor Nina Jonas asked council for questions. There were none. She asked Micah Austin Director of Planning & Building why he thinks it will take longer than 7 months. Micah Austin explained that because of public process he believes we should be conservative.

Harry Griffith Sun Valley Economic Development talked about the economic benefits of this project.

John Parker resident of Ketchum said by granting this extension you are increasing the likelihood of both projects being successful.

Doug Brown Sun Valley Economic Development said the public is anxious for the two hotels in Ketchum that will increase tourism.

Eric Seder resident of Ketchum and President of Fly Sun Valley Alliance encouraged council to grant the extension.

David Petrie resident of Ketchum and Executive Director of Blaine County Housing Authority said he is in support of the employee and community housing design.

Dick Fenton speaking as a private citizen talked about the rooms that are now available in the Valley and the market demand. He urges council to grant the extension.

Ed Simon Attorney representing Ketchum resident Vicky Graves and Dale Lincoln said this is a new project and talked about the approval of the original project and where they are now with this project. He talked about the current ordinance and time limits on the building permit process and the extensions that have already been granted to this project. He said this proposal should be denied.

Mickey Garcia resident of Ketchum talked about rumors he heard about the developer and his financing issues. Mickey Garcia is in favor of the extension.

Phyllis Schafron resident of Ketchum talked about the number of extensions that have been granted and questioned how many more would be granted. She has concerns regarding housing and is against the extension being requested.

Bob Crosby Sun Valley Board of Realtors urges council to grant extension to help build a better project.

Gary Lipton resident of Ketchum is in agreement and urged council to approve the project.

Tim Egan Ketchum business owner urged Council to grant extension. He said Jack has proved his dedication to this community and builds quality projects.

Jerry Seifert said we do things slowly around here and thinks the extension is not unreasonable. Let's try to speed up the process a little bit but try to do the project right.

Curtis Kemp was involved in the approval process in 2008. He is happy with the progress of this property. He urges the approval of this extension.

Mayor Nina Jonas closed public comment.

Mayor Nina Jonas brought the meeting back to council for comments.

Councilor Baird Gourlay relayed his concern regarding the length of the extension and Jack responded. Baird Gourlay asked Micah Austin Director of Planning and Building about the actual requirements and a timeline. Micah Austin outlined the timeline from the purchase of the property forward thru all notices and all approval processes and a new development agreement. Mayor Nina Jonas asked for clarification on a new Development Agreement. Micah Austin explained the process. Suzanne Frick City Administrator clarified for Mayor and Council what would be in the final Development Agreement.

Councilor Anne Corrock asked about the deadline dates and permit issue dates. Micah Austin Director Planning & Building explained the process and timelines.

Councilor Jim Slanetz asked about the time frame if the La Residence was removed from this process. Micah Austin Director of Planning & Building explained that it then could be done in 7 months.

Council President Michael David asked Jack if the extension was not granted what his plans are. Jack explained they plan on applying for the building permit and going forward. Michael David voiced concern regarding the end date of this process and if this can be the last extension and if this could be put into the agreement. Suzanne Frick City Administrator explained that it could be put in the agreement but the agreement could always be amended by the council. Michael David asked council if

they should extend to 12 months to avoid going thru an extension again in the future. Suzanne Frick advised council that they should be trying to decide if the La Residence should be included and if so then they may need to look at the 12 month time frame. If not then they could go forward with the 7 month time frame.

Councilor Anne Corrock expressed concerns regarding the purchase of the property and the length of time this could take. Annie Corrock is leaning toward not approving the extension. Baird Gourlay brought up the fact that by granting the 12 month extension it gives them the time to do the research so they may possibly build a better project. Jack gave clarification regarding the employee housing component and the timeline.

Micah Austin Director of Planning & Building talked about the demo permit that has been issued and the timeline for that. Jack said the demo will begin in October and discussed presenting a contingent contract.

Council President Michael David is leaning toward granting an extension but is undecided on the length of time.

Councilor Jim Slanetz wants to see both projects succeed but adding the La Residence project is adding length of time that he is not comfortable with. Councilor Baird Gourlay suggested a 9 month extension. Jack reiterated that they are breaking ground in April regardless of the extensions that are granted.

There was a discussion regarding starting to build before the entire project has been issued a building permit. Staff and applicant both had concerns regarding the application at this time. There was a discussion regarding flexibility.

Councilor Baird Gourlay said it is apparent they need an extension. There was a discussion among council that they would like to put language in saying this is the last extension.

**Motion to grant a seven (7) month extension to the Trail Creek Fund LLC Development Agreement and this be the last extension granted on this project so that they can seek amendments to the Design Review and PUD Agreements of 2008.**

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

- 2. Discussion and consideration of a request from IEG Thunder Spring LLC to consider options to fulfilling public benefit obligations as required by the originally approval for Thunder Spring PUD. IEG Thunder Spring has requested, "Eliminating the requirement for (1) 5,000 square feet of non-profit space, (2) 4,800 square feet of employee housing."

Micah Austin Director of Planning & Building explained the request before them and summarized the Thunder Springs Proposal and outlined what has already been completed and what is yet to be completed. Micah Austin talked about the dollar value of community housing space and non-profit space. He outlined the three (3) possible options. All options would fulfill the 1998 requirements. The applicant proposed a 4<sup>th</sup> option which they will discuss in length this evening. Micah Austin talked about

the public comments that have been made up to this point and asked for questions from Council. There were none at this time.

Dave Hutchinson for IEG Thunder Spring outlined a summary from Ed Lawson that is in the council packet. He had discussions with David Patrie regarding housing. At a previous council meeting the applicant was directed to come back to council with a plan for housing and that is what they are presenting.

Ed Lawson here on behalf of the applicant. Talked about the staff report and gave more history of the project and said their partner is proposing a new proposal.

Mayor Nina Jonas opened the meeting for public comment.

John Ernhardt representing Stone Hill Condominiums said he wants the council to understand they do not want to undermine what a previous city council has put in place. At what point are neighboring residents able to depend on decisions that have been made by previous City Councils? Conditions of approval were attached to the earlier agreements.

He asked council to stick to decisions that have been made in the past with much public comment.

David Patrie Blaine County Housing Authority talked about employee housing. He wants council to consider the present value. Council President Michael David asked David Patrie to explain what it would look like. David said it would be a low cost loan pool for owners. Anne Corrock asked if this would be deed restricted. David Patrie said some sort of agreement would have to be made.

Larry Young spoke on behalf of Tom Nelson owner of unit 103 in Stone Hill. Concerned about the PUD Agreement of 1998 and hopes all conditions will be enforced.

Gary Lipton does not want to see this project completed. He thinks the applicant should be penalized for not finishing the project.

Mickey Garcia resident of Ketchum talked about the development agreements and the economy at the time they are written. What is possible at one time is not possible at another time. He thinks the city should work with David Patrie. The project should be considered.

Mayor Nina Jonas closed public comment.

Councilor Annie Corrock said we are looking at an agreement from 1998 and that's what needs to be evaluated.

Councilor Jim Slanetz he appreciates a new strategy but he does not know where the dollar value plays into this.

Councilor Baird Gourlay talked about the 2008 agreement and the specifics of it. He expressed concern over what was expected at that time and now being asked to accept something else. He understands time has changed but needs more explanation. Dave Hutchinson spoke. He talked about the Rich Robin's obligations. He outlined what has changed over time and what has been spent and what is yet to come. He said they believe they are providing a proportional share. They are trying to come up with a comparable proposal now to what was proposed at the time.

Councilor Annie Corrock talked about what was in the original agreement. Dave Hutchinson reiterated the legalities of what is being offered.

Councilor Baird Gourlay had questions and concerns regarding the formula for figuring the new rate with the new figures, past obligations as opposed to current obligations.

Suzanne Frick City Administrator explained to council exactly what they should be considering.

Dave Hutchinson tried to explain the numbers from the past and the present in their entirety. Ed Lawson spoke regarding a 2011 letter that was sent to council. The proportionality is from the agreement in 2008 not 1998.

Suzanne Frick explained there are two issues. Past obligations and new projects that need to go thru the process. Staff does not suggest we blend those two projects together. How do you want to deal with the outstanding obligations? The new project will come before council separately and will be decided at another time. The 2008 agreement has never been completed. This project is dead.

Mayor Nina Jonas asked for direction on how to move forward. There was a discussion among Staff, Mayor, Council and applicant regarding what was approved, when it was approved and with what standards.


Susan Buxton City Attorney said there are issues that need to be clarified. Suzanne Frick City Administrator said we will provide more information to council but we need to understand what directions council wants to go so staff can work on this. She asked for time to step back and look at these issues.


Susan Buxton City Attorney suggested we table this and bring it back to staff for further recommendation.

6. ADJOURNMENT.

Motion to adjourn at 7:45 p.m.

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

  
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 Nina Jonas  
 Mayor

ATTEST:  
  
 Sandra E. Cady, CMC  
 City Clerk