ORDINANCE NUMBER 1033

AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, AMENDING TITLE 17, COMMUNITY CORE (CC) ZONE, CHAPTER 17.64, AND THE TOURIST (T) ZONE, CHAPTER 17.52, BY MOVING A SECTION REGARDING HOTEL LOCATIONS FROM CHAPTER 17.64.010.I, TRANSFER OF DEVELOPMENT RIGHTS TO CHAPTER 17.64.010.H, HOTEL USES; BY ADDING CRITERIA FOR FIVE-STORY HOTELS CONSISTENT WITH THE APPLICABLE MASSING STUDY; BY ADDING A REQUIREMENT FOR A PLANNED UNIT DEVELOPMENT APPLICATION WITH LIMITED WAIVERS TO HEIGHT AND BULK; BY ADDING A PROVISION FOR EMPLOYEE GENERATED IMPACT ANALYSIS AND MITIGATION; BY CLARIFYING HOW EMPLOYEE GENERATION WILL BE MEASURED; BY REQUIRING HOTELS TO PROVIDE EMPLOYEE HOUSING TO MITIGATE THEIR EMPLOYEE GENERATION DEMAND BASED ON THE ANALYSIS; AND BY ADDING A SECTION THAT EXEMPTS THAT PERCENTAGE OF RESIDENTIAL DEVELOPMENT ASSOCIATED WITH A HOTEL PROJECT WHICH MEETS THE DEFINITION OF "HOTEL" FROM INCLUSIONARY HOUSING REQUIREMENTS FOR A CERTAIN PERIOD OF TIME; PROVIDING FOR A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING A CODIFICATION CLAUSE; PROVIDING FOR PUBLICATION AND SUMMARY; PROVIDING A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Planning and Zoning Commission for the City of Ketchum has recommended amendments to Title 17, Chapters 17.64, Community Core Zone, and Chapter 17.52, Tourist Zone based upon its review of numerous issues related to hotel development, and specifically related to the need for community and employee housing related to hotel development, and input from public hearings; and

WHEREAS, the City Council has reviewed the Planning and Zoning Commission recommendation and made modifications based on their own analysis, and public input at public hearings; and

WHEREAS, the City Council has an expressed goal of facilitating the development of Hotels which meet the City definition of Hotel.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO:

SECTION 1. Chapter 17.64.010.G.2, Community Core (CC) District, is amended by deleting therefrom the stricken language and adding thereto the underlined language hereinbelow, to wit:

17.64.010. G.2. Maximum Floor Area Ratio

2. Floor Area Ratio (FAR) Community Housing Incentive: An increased FAR above 1.0 for Community Housing Units may be permitted up to a maximum of 2.25, subject to design review approval and provided that all the following conditions are met:

a. Twenty (20) percent of the total gross floor area of the building minus any ground floor retail trade, retail service, professional service and public/semi-public uses is deed restricted in perpetuity as Community Housing Unit(s), pursuant to the definition in Chapter 17.08.

b. The maximum floor area applies to three story buildings, the fourth floor of buildings may exceed the 2.25 FAR maximum.

c. Community Housing units shall be generally targeted for half of the required Community Housing shall be within income Categories 4 and 6, with an average of Category 5 and half of the required Community Housing shall be within income Categories 7 and above, with an average of Category 8. The definition of who may qualify to purchase affordable housing shall be maintained in the Governing Housing Authority Guidelines and adopted by the City Council.

d. Of the gross square footage of Community Housing required, a fifteen (15) percent reduction will be allowed as a standard discount from the gross square footage required to net liveable square footage of the Community Housing units.

e. For hotel~~s~~ developments, Community Housing calculations apply to all residential units. However, 100% of the Community Housing requirement will be waived only for the residential portion of Hotel Projects that meet the Hotel definition adopted by the Ketchum City Council provided the project obtains a complete building permit prior to June 1, 2010.

f. If any fraction of Community Housing requirements may be paid via a fee-in-lieu of housing,the fraction of Community Housing units times the fee equals the amount due to the City. The fee-in-lieu shall be recommended by the governing Housing Authority on an annual basis and adopted by the City Council. The developer has the option of providing a full housing unit rather than paying the fee-in-lieu or working with the City or other non-profit entity to purchase the balance of the Community Housing unit with additional funds.

g. All Community Housing units, either for sale or rental, shall be administered by the Governing Housing Authority. The Governing Housing Authority shall recommend the types, locations and categories of all proposed Community Housing units for approval by the City. The City may approve alternatives to the administration of units at their discretion.

h. The City's goal is to encourage the construction of whole units and not to create a program for fee in lieu for whole units. However, the City Council may consider a request by the property owner to pay a fee in lieu of constructing a complete community housing unit or provide other considerations as the City Council deems appropriate. The City Council has full discretionary power to determine said request. ~~Said in-lieu payment is not bound by any adopted fee schedule and is subject to negotiation on a case by case basis.~~

SECTION 2. Chapter 17.64.010.H, Community Core (CC) District, is amended by deleting therefrom the stricken language and adding thereto the underlined language hereinbelow, to wit:

17.64.010. H Hotel Uses

1. Hotels may build a fourth floor anywhere in designated receiving areas, as may be adopted by the City Council, without purchase of Transfer of Development Rights. If a site meets the criteria for five story hotel site designation ~~as provided in section 17.64.010.I.11~~, the fifth floor may be built without the purchase of Transfer of Development Rights. Five Story Hotels may only be approved via a Planned Unit Development (PUD) as outlined in Ketchum Municipal Code (KMC) 16.18. However, with the exception of limited architectural elements, hotel projects may not request waivers to the Height and Bulk requirements of Section 17.64.010.K.1.f, Building Type 6: Hotel.

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

      i. Is located in sub-district A, retail core
      ii. Is highly visible to visitors
      iii. Is convenient to walk to retail center
      iv. Is near the center town plaza, Main Street and Sun Valley Road
      v. Contributes to the retail vibrancy
      vi. Is not located on Main Street between First Street and Sixth Street.
      vii. Has a minimum lot area of thirty-three thousand (33,000) square feet.
      viii. Respects the general parameters of any Massing Studies which may be applicable in the area

2. Without exception, hotels cannot build fourth or fifth floors in designated Sending Areas, as may be adopted by the City Council.

3. Employee Housing. ~~Hotels are not subject to the Floor Area Ratio Inclusionary Housing Incentive of twenty percent (20%) for all hotel uses and hotel sleeping rooms. The twenty percent (20%) Inclusionary Housing Incentive is required for all residential units within a hotel that are not available for short term rental.~~ Hotel developments are required to mitigate employee housing impacts at a ratio of twenty-five (25) percent of the total number of employees calculated by the following formula: 1 employee per hotel room or bedroom. A Development Agreement or other similar tool shall be utilized to outline employee housing commitments.

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

5. The City Council may consider a request by the hotel developer to satisfy any required ~~workforce~~ employee or community housing square footage by alternate means. Off site mitigation, payment of in lieu fees, land in lieu of units, or other considerations may be proposed

by the hotel developer. Larger sites are encouraged to include employee and/or community housing on-site. The City Council has full discretionary power to deny said request. ~~Said in lieu payments are not bound by any adopted fee schedule and is subject to negotiation on a case by case basis.~~

~~5~~6. Hotels shall enter into a Development ~~hotel use~~ Agreement with the City as part of the PUD approval process. Said ~~hotel use a~~ Development Agreement may ~~shall~~ address ~~at a minimum~~ the following subjects: Community housing, hotel room uses and restrictions, public access on the property, alternatives and remedies if the hotel use ceases, and any other issue the Planning and Zoning Commission or City Council deems appropriate. Said Development ~~hotel use~~ A~~a~~greement shall follow the public hearing process as outlined in Section 16.18. ~~17.154.040.E, Public Hearing, Section 17.154.040.F, Additional Hearing and Section 17.154.040G, Recordation, Title 17, Land Use Code.~~ Said ~~hotel use~~ Development agreement shall be subject to Section 17.154.060, Enforcement and Section 17.154.070, Modification and Termination, Title 17, Ketchum Municipal Code.

SECTION 3. Chapter 17.52.010.H.3 Tourist (T) District, is amended by deleting therefrom the stricken language and adding thereto the underlined language hereinbelow, to wit:

17.52.010. H.3 Hotels

3. **Hotels**: Hotels which meet the definition of Hotel in Chapter 17.08 may exceed the maximum floor area and height or minimum open site area requirements of this chapter subject to the following review process:

a. A Planned Unit Development shall be prepared for the proposal and approved by the City which specifically outlines the waivers to bulk regulations requested.

b. A subarea analysis shall be prepared which addresses the Comprehensive Plan designation for the subarea; impacts of the proposed hotel on the character and scale of the surrounding neighborhood; impacts on proposed height and mass relative to the City's Design Review Standards and the PUD Standards, and the appropriateness of the subarea for a hotel which exceeds the bulk requirements of this Section.

c. For hotels developments, Community Housing calculations apply to all residential units. However, 100% of the Community Housing requirement will be waived only for the residential portion of Hotel Projects that meet the Hotel definition adopted by the Ketchum City Council provided the project obtains a complete building permit prior to June 1, 2010.

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

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

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

g. Hotels shall enter into a Development Agreement with the City as part of the approval process. Said Development Agreement may address the following subjects: Community housing, hotel room uses and restrictions, public access on the property, alternatives and remedies if the hotel use ceases, and any other issue the Planning and Zoning Commission or City Council deems appropriate. Said Development Agreement shall follow the public hearing process as outlined in Section 16.08 Ketchum Municipal Code, Planned Unit Developments. Said Development Agreement shall be subject to Section 17.154.060, Enforcement and Section 17.154.070, Modification and Termination, Title 17, Ketchum Municipal Code.

SECTION 4. SAVINGS AND SEVERABILITY CLAUSE. It is hereby declared to be the legislative intent that the provisions and parts of this Ordinance shall be severable. If any paragraph, part, section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 5. CODIFICATION CLAUSE. The City Clerk is instructed to immediately forward this ordinance to the codifier of the official municipal code for proper revision of the code.

SECTION 6. PUBLICATION. This Ordinance, or a summary thereof in compliance with Section 50-901A, Idaho Code, substantially in the form attached hereto as Exhibit "A," shall be published once in the official newspaper of the City, and shall take effect immediately upon its passage, approval, and publication.

SECTION 7. REPEALER CLAUSE. All City of Ketchum code sections, ordinances or resolutions or parts thereof, which are in conflict herewith are hereby repealed.

SECTION 8. EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage, approval and publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO, and approved by the Mayor this 7th day of January, 2008.

Randy Hall, Mayor

ATTEST:

APPROVED AS TO FORM

AND CONTENT:

Sandra E. Cady, CMC
City Treasurer/Clerk

Benjamin W. Worst,
City Attorney

EXHIBIT A

PUBLICATION OF SUMMARY OF ORDINANCE NO. 1033
CITY OF KETCHUM, IDAHO

AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, AMENDING TITLE 17, COMMUNITY CORE (CC) ZONE, CHAPTER 17.64, AND THE TOURIST (T) ZONE, CHAPTER 17.52, BY MOVING A SECTION REGARDING HOTEL LOCATIONS FROM CHAPTER 17.64.010.I, TRANSFER OF DEVELOPMENT RIGHTS TO CHAPTER 17.64.010.H, HOTEL USES; ADDING CRITERIA FOR FIVE-STORY HOTELS CONSISTENT WITH THE GATEWAY AREA MASSING STUDY; BY ADDING A REQUIREMENT FOR A PLANNED UNIT DEVELOPMENT APPLICATION WITH LIMITED WAIVERS TO HEIGHT AND BULK; BY ADDING A PROVISION FOR EMPLOYEE GENERATED IMPACT ANALYSIS AND MITIGATION; BY CLARIFYING HOW EMPLOYEE GENERATION WILL BE MEASURED; BY REQUIRING HOTELS TO PROVIDE EMPLOYEE HOUSING TO MITIGATE THEIR EMPLOYEE GENERATION DEMAND BASED ON THE ANALYSIS; AND BY ADDING A SECTION THAT EXEMPTS A PERCENTAGE OF RESIDENTIAL DEVELOPMENT ASSOCIATED WITH A HOTEL PROJECT FROM INCLUSIONARY HOUSING REQUIREMENTS FOR A CERTAIN PERIOD OF TIME; PROVIDING FOR A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING A CODIFICATION CLAUSE; PROVIDING FOR PUBLICATION AND SUMMARY; PROVIDING A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

A summary of the principal provisions of Ordinance No. 1033 of the City of Ketchum, Blaine County, Idaho, adopted on January 7, 2008, is as follows:

Section 1. Amends Chapter 17.64.010.G.2, Community Core (CC) District by establishing community housing requirements for the residential portion of hotel developments which meet the definition of hotel, and establishing a waiver from these requirements provided the project obtains a complete building permit prior to June 1, 2010.

Section 2. Amends Chapter 17.64.010.H, Community Core (CC) District, by moving a section on Hotel Uses from Chapter 17.64.010.I Transfer of Development Rights to Chapter 17.64.010H, Community Core; by clarifying the criteria on the location of five-story hotels; by clarifying how employee generation will be measured; by requiring hotels to provide employee housing to mitigate their employee generation demand based on the analysis; by encouraging larger sites to provide employee housing on-site, and by clarifying that a Development Agreement will be used to address issues raised in this chapter.

Section 3. Amends Chapter 17.52.010.H.3 Tourist (T) District by clarifying how employee generation will be measured; by requiring hotels to provide employee housing to mitigate their employee generation demand based on the analysis; by encouraging larger sites to provide employee housing; by establishing community housing requirements for the residential portion of hotel developments which meet the definition of hotel, and establishing a waiver from these requirements provided the project obtains a complete building permit prior to June 1, 2010;

by encouraging larger sites to provide employee housing on-site, and by clarifying that a Development Agreement will be used to address issues raised in this chapter.

Section 4. Provides a savings and severability clause.

Section 5. Provides a codification clause.

Section 6: Provides for publication of a summary of the Ordinance.

Section 7: Provides a repealer clause.

Section 8: Establishes the effective date of January 16, 2008.

The full text of this Ordinance is available at the City Clerk's Office, Ketchum City Hall, 480 East Avenue North, Ketchum, Idaho 83340 and will be provided to any citizen upon personal request during normal office hours.

CITY OF KETCHUM, IDAHO

Randy Hall, Mayor

ATTEST:

Sandra E. Cady, CMC
City Treasurer/Clerk

STATEMENT OF LEGAL ADVISOR

I, the undersigned attorney at law, duly licensed in the State of Idaho and serving as City Attorney to the City of Ketchum, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 1033 of the City of Ketchum and that the same is true and complete and provides adequate notice to the public of the contents of said Ordinance.

Dated this 7th day of January, 2008.

Benjamin W. Worst,
Ketchum City Attorney

Publish: Idaho Mountain Express
Date: January 16, 2008