



**City of Ketchum
Planning & Building**

**STAFF REPORT
KETCHUM PLANNING AND ZONING COMMISSION
REGULAR MEETING OF AUGUST 10, 2021**

PROJECT: Bluebird Village Community Housing Project

FILE NUMBERS: P21-063 & P21-064

APPLICATION TYPES: Design Review & Conditional Use Permit

ARCHITECT: Michael Doty, Michael Doty Associates

DEVELOPER: Greg Dunfield, GMD Development & Ketchum Community Development Corporation

PROPERTY OWNER: City of Ketchum

LOCATION: 480 N East Avenue (Ketchum Townsite: Block 45: Lot 3A) & Parking Lot at Southeast Corner of 5th Street & Alley (Ketchum Townsite: Block 45: W 75' Lots 7 & 8)

ZONING: Retail Core of the Community Core (CC-1)

OVERLAY: None

NOTICE: A public hearing notice for the project was mailed to all owners of property within 300 feet of the project site and all political subdivisions on July 21st, 2021. The public hearing notice was published in the Idaho Mountain Express on July 21st, 2021. A notice was posted on the project site and the city's website within the City on July 27th, 2021. Links to public comment are provided within Exhibit G.

REVIEWER: Abby Rivin, Senior Planner

**BLUEBIRD VILLAGE COMMUNITY HOUSING PROJECT
51 New Affordable Rental Housing Units in Downtown Ketchum**

The Ketchum Planning and Zoning Commission will hold a public hearing to review, consider public comment, and make a decision regarding concurrent Design Review and Conditional Use Permit applications for the proposed Bluebird Village project. The applicant, GMD Development in partnership with the Ketchum Community Development Corporation, is proposing to develop a community housing project with 51 deed-restricted community housing units. The development will include retail units along East Avenue and 5th Street, a property management office, 46 on-site parking spaces, and bike storage areas. Amenities for residents within the development include a rooftop deck, balconies,

storage lockers, a fitness center, and community room. The project site consists of two parcels—Lot 3A (City Hall) and the west 75 feet of Lots 7 and 8 (rear parking lot). The development consists of two buildings connected by a walkway across the Block 45 alley. Site improvements include new heated sidewalks along East Avenue and 5th Street with street trees. Landscaped seating areas along East Avenue and 5th Street create an inviting environment that will engage pedestrians and activate the streetscape.

This project will provide the social infrastructure that Ketchum so desperately needs in a high-quality, inclusive development downtown easily accessible by foot, bike, or transit. This area of downtown Ketchum is vibrant with opportunities for people to connect with each other and the built environment. The neighborhood includes local stores and restaurants for the community to shop and eat. Nearby Town Square has outdoor seating areas where people can listen to live music or participate in other social, cultural, and political events. Downtown is Ketchum’s gathering place connecting locals, second homeowners, and tourists. These connections create community, and our community defines Ketchum’s small-town character and sense of place. Bluebird Village will help Ketchum maintain its community by supplying 51 affordable rental units to house the people who live and work in town.

COMMUNITY HOUSING OPTIONS FOR KETCHUM LOCALS LIVING AND WORKING IN TOWN

We aspire to be an authentic mountain community with world-class character, yet small-town feel. We see our community as one with a high quality of life for a local year-round population and a visiting population. We will be successful by creating, marketing, and delivering distinctive choices for jobs, learning, health, outdoor adventure and arts and culture. We value a strong sense of community. Furthermore, we wish to be a place with a strong economy, vibrant downtown, diverse options for housing, and a varied demographic of people who live, work, and visit here. We will be responsible stewards of our environment, work for a dynamic economy, and maintain our special way of life for generations to come.

--Community Vision, City of Ketchum 2014 Comprehensive Plan

For 52 years, the Ketchum community has acknowledged the need to diversify housing options within town to retain its permanent population and labor force. The City’s first policy statement emphasizing the community’s critical need for affordable housing was adopted in 1969 in a resolution stating, “employment in the Ketchum area has drastically increased, to the end that a severe housing shortage exists for low-income families.”

By the time Ketchum had adopted its first Comprehensive Plan in 1983, the community understood the consequences that result from extreme housing pressure created by second homes and speculative development. The private sector had done little to develop affordable housing units for residents with lower or moderate incomes. The 1983 Comprehensive Plan stated that the City should institute incentives to encourage the construction of more employee and affordable housing units.

The housing crisis escalated in Ketchum without arrest for twenty years. Focusing on housing’s importance in a healthy community, the 2001 Comprehensive Plan stated that, “The City of Ketchum recognizes the need for a balanced and sustainable housing supply for residents, employees and visitors. An adequate and diverse housing supply in Ketchum is needed to ensure the viability of town

life and businesses.” Healthy communities depend on adequate housing options to provide permanent living units for a diverse group of people making it possible to live and work within town year-round.

The 2014 Comprehensive Plan identified housing as one of the ten core values important to the community’s future and stated that housing should be integrated into the downtown core. The 2014 plan was a community-driven effort with significant input from residents and various stakeholders. The community wanted people who worked in Ketchum to have housing options to live in town. The 2014 Comprehensive Plan recognized community housing’s critical role in supporting a strong economy and a year-round population.

The Bluebird Village project balances two community key community objectives—preserving downtown’s vibrancy and increasing Ketchum’s supply of affordable housing units. This development is consistent with the community’s vision and goals for downtown as detailed in the 2014 Comprehensive Plan. Bluebird Village will enhance downtown’s vibrancy, support local businesses, and help maintain Ketchum’s community by providing 51 affordable, rental units for locals who live and work in town.

Throughout the years, the zoning code was amended to encourage the development of affordable community housing in the downtown. These amendments to Ketchum’s zoning code reflect a willingness to consider trade-offs of mass and scale impacts if other community objectives like increasing the supply of community housing units are met.

COMMUNITY HOUSING DEVELOPMENT INCENTIVES

Since 1994, deed-restricted community housing has been encouraged through development incentives for projects in downtown Ketchum. The first regulations to incentivize development of deed-restricted housing for the Ketchum’s local, full-time, working population were enacted in 1994. Those incentives allowed additional height and floor area for community housing projects. Between 1994 and 2019, additional development incentives were incorporated into the zoning code to promote and develop community housing projects within the Community Core. Ketchum has long considered community housing projects and units to be a valuable and encouraged use within downtown developments.

The zoning code provides the following development incentives to encourage community housing projects downtown:

- No parking is required for community housing units.
- Community housing projects are eligible for 10 more feet of building height than market-rate developments. 52 feet is the maximum permitted building height for 100% community housing project. Market-rate developments have a maximum permitted building height of 42 feet.
- Community housing projects may exceed the maximum permitted 2.25 gross FAR subject to Design Review approval.

ASSOCIATED APPLICATIONS & REVIEW PROCESS

The Bluebird Village project is subject to Design Review pursuant to Ketchum Municipal Code (KMC) §17.96.010.A4 for the development of the new mixed-use building. Additionally, the 304-square-foot property management office located on the ground level along 5th Street requires a Conditional Use Permit. Offices on the ground floor with street frontage require a Conditional Use Permit in the Retail Core (CC-1) Zone pursuant to Ketchum Municipal Code §17.12.020. The Planning & Zoning Commission

has the authority to review and approve the applicant's Design Review and Conditional Use Permit applications pursuant to Ketchum Municipal Code §17.96.030.B and §17.116.010.

The project complies with all zoning and dimensional standards for development in the Community Core (KMC §17.12.040) except for the 10-foot fourth floor setback. The City has proposed a zoning code text amendment for projects that dedicate all residential use to community housing. A further explanation of the project's compliance with the proposed zoning code text amendment is contained in the analysis section of this staff report. Staff recommends the Planning and Zoning Commission first consider the Design Review application and condition any project approval to approval of the proposed text amendment.

Two items will be forwarded to City Council following the Planning & Zoning Commission's action on the Bluebird Village Project's Design Review and Conditional Use Permit applications: (1) the zoning code amendment proposing to modify the fourth-floor setback requirement and (2) the Bluebird Village project plans as all buildings greater than 48 feet in height or that contain a fourth floor require final approval from the City Council (KMC §17.12.040 Footnote 2).

The project also requires a Right-of-Way (ROW) Encroachment Permit for the snowmelt system proposed to be installed for the sidewalks along East Avenue and 5th Street, the walkway connecting the two buildings over the alleyway, the metal awnings framing the retail units along East Avenue, and window shades slightly projecting from the west façade along East Avenue. The City Council has the authority to review and approve all permanent encroachments within the public right-of-way associated with a development project pursuant to Ketchum Municipal Code §17.96.030.C. The City Council must review and approve the proposed encroachments and an associated ROW Encroachment Agreement prior to issuance of a building permit for the project.

PRE-APPLICATION DESIGN REVIEW: COMMISSION'S FEEDBACK

The Planning & Zoning Commission considered the Pre-Application Design Review for this project during their meeting on May 11th, 2021. The Commission recognized that the development's proposed mass and scale will accommodate more housing units and address the community's critical need for affordable housing. They appreciated certain design features of the proposed development. They commented that the exterior material differentiation reduced the visual appearance of building mass and helped define the development's character.

Their recommendations focused on: (a) reducing the project's potential negative impacts to adjacent neighbors, including limiting light emanating from the stairwell along 5th Street and from vehicle headlights as well addressing the concerns of the adjacent property owner to the south regarding noise and safety impacts associated with the residential units' upper-level balconies, (b) reducing the visual appearance of building bulk and mass by refining exterior material composition and proportion, (c) reducing the visual appearance of bulk and mass at the building edges to soften the transition to adjacent properties with smaller, historic buildings, and (d) animating the ground-level street frontage to engage pedestrians and activate the surrounding streetscape.

The Commissioners considered modifying the fourth-floor setback for community housing projects. The applicant noted that locating the stairwells at the perimeter of the building enhances its structural efficiency and streamlines interior circulation allowing for repeating floor plans. The applicant

explained that the proposed fourth floor plan allows the developer to supply more affordable housing units. The Commission expressed support for modifying the fourth-floor setback for community housing projects.

In addition to public comment received during the May 11th Planning & Zoning Commission Meeting, the applicant conducted 4 virtual meetings to illicit feedback from the community regarding the proposed development prior to submitting the Pre-Application Design Review to the City. The public was invited by the applicant to provide input on different design options that were posted to the developer's project website.

APPLICANT'S PROJECT PLAN UPDATES

The updated project plans submitted with the final Design Review application are attached as Exhibit A to the Staff Report. The applicant has described changes to the project plans proposed in response to the Planning & Zoning Commission's comments and neighbor concerns in their application cover letter and memo attached as Exhibit B to the Staff Report.

The applicant has reduced the project's potential negative impacts to nearby neighbors. The parking area's southern border will be screened by a full ground-to-ceiling concrete block wall to block both noise and light trespass from vehicle headlights. Window glazing has been reduced by 50% to reduce the amount of light emanating from the stairwells. The applicant has addressed neighbor concerns about the upper-level balconies' safety and noise impacts. A 3.5-foot-tall railing will border the edge of each balcony. In addition, 10-foot wide, landscaped setback areas are provided on the second and fourth floors.

The applicant has reduced Building B's size by eliminating five residential units on the fourth floor. Exterior balconies have been relocated to the corners of Building B to reduce the visual appearance of mass and scale. This subtraction of mass at the corners softens the building and its transition to neighboring properties. The stairwells' exterior materials have been refined to reduce visual clutter and simplify the design.

STAFF RECOMMENDATION

After considering the project plans, Staff's analysis, the applicant's presentation, and public comment, Staff recommends the Planning & Zoning Commission move to approve the Bluebird Village Community Housing Project Design Review and Conditional Use Permit applications. Should the Planning & Zoning Commission support the approval, Staff would return with findings and conditions reflecting the Commission's decision. The following analysis explains Staff's recommendation by summarizing the project's compliance with zoning code and design review standards.

ANALYSIS

The following analysis highlights certain zoning code and design review standards for the Planning & Zoning Commission's consideration. Staff's comprehensive analysis of all applicable evaluation standards, including Community Core zoning and dimensional requirements (KMC §17.12.040), Design Review standards (KMC §17.96.060), and Community Core Design Review standards (KMC §17.96.070) is attached as Exhibit F to the Staff Report. The following analysis highlights key issues for the Planning & Zoning Commission's consideration and further discussion.

Compliance with Zoning & Dimensional Standards

Staff's comprehensive analysis of the development's compliance with the zoning and dimensional standards is attached as Exhibit F2 to the Staff Report. The project is in conformance with the development standards for the Community Core District except for the 10-foot setback required for the fourth floor.

Only pedestrian activated commercial uses like retail shops and restaurants are permitted on the ground-floor along the street frontage within developments in the Retail Core (CC-1) Zone (Ketchum Municipal Code §17.12.020). The Bluebird Village development includes ground-level retail units fronting East Avenue and 5th Street. The 304-square-foot property management office requires a Conditional Use Permit as its proposed to be located on the first floor along 5th Street (KMC §17.12.020: Footnote 10).

The upper levels of the Bluebird Village project will include 51 deed-restricted community housing units as well as amenities for the residents. Multi-family dwelling units are permitted in the Retail Core above the ground floor (KMC §17.12.020: Footnote 26). Developments in the CC-1 Zone that deed restrict all residential units above the first floor as community housing are qualified as 100% community housing project (KMC §17.12.040: Footnote 1).

Fourth-Floor Setback

The City has proposed a zoning code text amendment for projects that dedicate all residential use to community housing to modify the fourth-floor setback requirement. This proposed modification is to require that the fourth floor be setback an average of 10 feet from the ground-floor building façade for community housing projects. Should the Commission approve the design of the proposed development, the project approval would be contingent upon adoption of the proposed text amendment.

Floor Area Ratio (FAR) & Building Height

The permitted FAR in the Community Core Zone is 1.0. The Planning & Zoning Commission may allow an increased FAR above 1.0 up to a maximum of 2.25 subject to Design Review (KMC §17.124.040.B). Community housing projects may exceed this 2.25 maximum FAR at the Commission's discretion through Design Review. To receive more floor area, new buildings must complement the scale and character of the surrounding neighborhood.

Bluebird Village's total gross FAR is 2.73. The 2.73 FAR includes the total gross floor area of Buildings A and B on the 25,072-square-foot, two-parcel development site. Building A is 48,187 gross square feet and has an FAR of 2.87 on Lot 3A (City Hall lot). Building B is 20,220 gross square feet and has an FAR of 2.45 on the parking lot parcel (Ketchum Townsite: Block 45: W 75' Lots 7 & 8).

The maximum permitted building height for community housing projects in the Community Core is 52 feet KMC §17.12.040). The maximum height of Building A is 50'-10". The maximum height of Building B is 48'-3". The Bluebird Village project exceeds 48 feet in height and has a fourth floor. All building greater than 48 feet or that contain a fourth floor require final review and approval from the City Council (KMC §17.12.040: Footnote 2)

Compliance with Design Review Standards

Design Review helps our community achieve a more sustainable, vibrant, connected, and beautiful Ketchum. Before granting Design Review approval, the Planning & Zoning Commission must determine that applications meet two criteria: (1) the project doesn't jeopardize the health, safety, or welfare of the public, and (2) the project conforms to all Design Review standards and zoning regulations (KMC 17.96.050.A). Staff's comprehensive analysis of all Design Review standards is attached as Exhibits F3 and F4.

Compatibility of Design

The project's materials, colors and signing shall be complementary with the townscape, surrounding neighborhoods and adjoining structures (Ketchum Municipal Code §17.96.060.E1).

Downtown's Retail Core borders the development site extending to the south, west, and northwest. The Retail Core transitions to the Knob Hill residential neighborhood to the northeast. The surrounding neighborhood has an eclectic mix of diverse building types and uses reflecting Ketchum's incremental growth through time. The surrounding area is developed with historic buildings that are smaller in size as well as larger-scale developments like Atkinson's Market and the mixed-use building at the corner of 4th Street and East Avenue. The development site is adjacent to: (a) the Ore Wagon Museum, Bonning Cabin, and Little Park to the north across 5th Street, (b) Atkinson's Market to the west across East Avenue, (c) Girl Friday to the south along East Avenue, (d) the George Castle Cabin located across the Block 45 alley to the south, and (e) an existing, non-conforming single-family residence that is used as a vacation rental to the east.

The buildings' exterior materials and colors are specified on Sheet A9.00 of the project plans. The proposed exterior materials and finishes include red brick veneer, gray fiber cement panels, weathered-wood vertical siding, dark gray corrugated metal vertical siding, block metal panels, storefront windows and doors, patio sliding doors, and beige gray stucco. Light blue fiber cement panes introduce a fun pop of color animating the 5th Street façade. The exterior elevations on Sheets A2.01, A2.02, A2.03 of the project plans (Exhibit A) indicate each façade's exterior materials.

The exterior materials are fabricated to resemble natural and traditional materials with earth tones and textures. Building A's red brick along the East Avenue façade wraps around the corner along the first level of the 5th Street. The red brick will complement the color of the adjacent Ore Wagon Museum to the north and nods to traditional material utilized in repurposed historic buildings in downtown Ketchum like the Lane Mercantile. The weathered-wood siding matches the color and texture of the Bonning Cabin.

The project's master signage plan is indicated on Sheet AA6.01 of the project plans. The development's signage includes both awning and wall signs. The face of all signs will be black, oxidized-carbon steel. The copy on the signs is patinated or powder-coated blue. The blue animates the signage echoing the blue panels on the 5th Street facade. Following approval of the project's master signage plan, separate sign permits will be required for all new signs prior to installation (KMC §17.127.030.B).

Architectural

Building walls shall provide undulation/relief, thus reducing the appearance of bulk and flatness (Ketchum Municipal Code §17.96.060.F5).

Bluebird Village is proportional in size and scale to other large-scale downtown developments like the Argyros Theater, the Colonnade, and the new mixed-use development currently under construction at the corner of 4th Street and Walnut Avenue. The design combines exterior material changes with wall setbacks that move the building in and out from the property lines. Exterior materials change concurrently with shifts in building mass. This design breaks up the building into defined components that visually break up the mass of the building. The composition and proportion of exterior materials provides visual interest to the facades facing East Avenue and 5th Street.

The fourth floor is setback 37 feet 11 inches from the property line along East Avenue. This setback not only accommodates the rooftop deck, but also reduces the appearance of building mass along East Avenue. The placement of red brick forms two, prominent three-story columns along the East Avenue façade that ground and integrate the three levels of the building to the project site. The brick detailing at the top of the third level as well as the projecting awnings and pop-out picture windows animate the East Avenue façade.

The applicant has reduced the Building B's mass and scale by eliminating four community housing units. Both buildings comply with the 3-foot setback from alley property lines required in the Community Core Zone (KMC §17.12.040). The external balconies have been relocated to the building corners. This subtraction of mass at the corners reduces the building's rectangular bulk softening the development as it transitions to neighboring buildings.

The applicant has setback Building A's stairwell 12 feet further than setback shown on the project's Pre-Application plans. The project plans submitted with the final Design Review application (Exhibit A) show the stairwell is setback 18 feet 6 inches from the property line along East Avenue. This extended setback and the existing, mature trees to the south will reduce and screen the perceived building mass at the street level. As indicated on the south elevation on Sheet A2.02 of the project plans (Exhibit A), the applicant has incorporated a trellis to support vines along the stairwell's south wall. The rendering on Sheet A9.06 demonstrates how this living, green wall will help soften the four-level rectangular mass by adding texture and color to the stairwell's south elevation.

Unlike existing developments that cover the length of an entire Ketchum Townsite block, Bluebird incorporates an elevated walkway over the alley to connect the two main buildings. This subtractive massing accommodates space for light and air to move through building mass enhancing the development's transparency. The walkway creates a unique urban spatial experience that will visually engage pedestrians and activate the streetscape.

The building character shall be clearly defined by use of architectural features (Ketchum Municipal Code §17.96.060.F2).

The two buildings within the Bluebird Village development area characterized by modern design elements like rectangular building forms and flat roofs. Building bulk is broken up into distinct one-, two-, and three- story masses that are distinguished through exterior material variation, fenestration, vertical wall setbacks, and horizontal floor setbacks. These masses are softened through the

incorporation of landscaping. Live roofs planted with perennials soften the horizontal floor setbacks on the second level. Landscaped planters frame the rooftop deck within the fourth level setback area. Exterior material differentiation defines the ground-level façades along 5th Street and East Avenue visually separating the first-floor retail areas and the residential units on the upper level.

The stairwell design has been refined. Window glazing has been reduced by 50% to reduce the amount of light emanating from the stairwells. The remaining windows are framed by corrugated-metal vertical siding at the upper levels. This forms a vertical, 3-story element that integrating the residential floor levels within the development.

The retail storefronts' glass doors and windows as well as landscaped seating areas along East Avenue and 5th will engage pedestrians welcoming residents and tourists into these spaces. These features create an activated, pedestrian-friendly streetscape that will enliven Ketchum's dynamic downtown by facilitating social connections that build community.

Parking

Deed-restricted community housing units within developments in the downtown have been exempt from off-street parking requirements since 2006. Affordable housing units that ensure Ketchum continues to be a diverse community with a mixture of housing types and affordability, outweigh the need to provide on-site parking. That has been the priority in Ketchum for 15 years.

Proposed Project Parking

While no parking is required for this community housing project, the development includes 46 on-site parking spaces. The applicant is also providing additional amenities to offset parking demand, including a car share program with two vehicles for residents, secure bike parking, and electric bike charging stations. The parking proposed on site consists of 46 spaces. 16 of the parking spaces are arranged in a tandem configuration. The Planning & Zoning Commission has approved tandem configurations to satisfy off-street parking demand for several market-rate, multi-family residential projects downtown. While off-street parking is not required to be provided on site for community housing units, the development's proposed tandem configuration is consistent with other projects approved by the Commission. 8 of the parking spaces provided on site are compact. 2 of the compact parking spaces will be reserved for car-share vehicles.

Project Parking Demand

The traffic engineering firm AECOM prepared a parking analysis for the Bluebird Village project. (Exhibit D). AECOM's study included an analysis of parking demand based on the number of residential units as well as the number of bedrooms within the Bluebird Development. The report's conclusions indicate the project will generate a need between 0 to 13 off-site parking spaces.

City Hall's existing peak parking demand during the day for employees and public visitors is approximately 23 vehicles. All employees and public visitors use on-street parking spaces as no on-site employee or visitor parking is provided on-site. The existing parking lot is reserved for emergency service operations only. The Bluebird Village project will decrease daytime on-street parking demand from the existing demand generated by City Hall traffic. Additionally, increasing the supply of affordable housing units in walking distance to jobs should decrease daily trips in and out of town

currently made by commuters who work downtown but can't afford to live in Ketchum. The AECOM study concluded that Bluebird Village is anticipated to alleviate parking demand during peak periods.

City Hall closes at night and doesn't currently generate on-street parking demand during evening hours. The Bluebird Village project will increase the number of cars parked on-street at night. Satisfying the project's nighttime on-street parking demand will be challenged during winter when the City prohibits on-street parking from 2:00 AM to 7:00 AM during November 1st through May 1st for snow removal operations and maintenance.

Downtown On-Street Parking Demand

At their May 11th, 2021 meeting, the Planning and Zoning Commission requested the City provide a parking demand and utilization analysis related to on-street parking within the downtown. The City collected data generated through license plate recognition to study on-street parking downtown. This data indicates block-by-block space availability, parking duration, and turnover rates. The reports from the first data collection period are attached as Exhibit X to the Staff Report. This data will be collected quarterly to account for seasonal fluctuations. The report from the first data collection period show certain blocks downtown have plenty of on-street parking available during the day. Areas east of 1st Avenue and west of East Avenue see higher levels of parking congestion between 11am and 5pm on weekdays and between 1pm and 4pm on Saturday. Most parked vehicles stay less than 3 hours. The most common length of stay is 1 to 2 hours.

The results of the quarterly data collection reports will be analyzed to update the City's parking management plan downtown. This update will adjust parking regulations, including time restrictions, based on the block-by-block data. Additionally, the City will institute a winter residential parking permit program to control nighttime on-street parking by designating overnight spaces in certain areas downtown and establishing odd/even parking regulations.

Staff has added a recommended condition of approval requiring that all residents without an assigned parking space designated on-site obtain a residential parking permit from the City and that all residents will comply with the City's winter parking program. The winter parking program will designate overnight spaces in certain areas downtown and establish odd/even parking standards.

Stairwell Lighting

Window glazing has been reduced by 50% to reduce the amount of light emanating from the stairwells. The stairwell will direct lighting internally to provide safety for the vertical circulation within the building and minimizing external illuminance. The applicant's cover letter (Exhibit B) states that, "the design team will continue to work with the lighting consultant to develop a lighting design that provides safety, is externally unobtrusive and consistent."

Trees

Ketchum Municipal Code §17.96.070.D1 requires that all healthy and mature trees removed be replaced. Sheet L1.0 shows that 10 total trees will be removed from the project site. The street trees proposed along East Avenue and 5th Street satisfy the requirement to replace all healthy and mature trees removed from a project site. 4 street trees are proposed along East Avenue and 9 street trees are proposed along 5th Street.

Sheet L1.0 shows 4 existing deciduous trees straddling the interior east side property line are proposed to be removed to accommodate the proposed development. The removal of these trees requires the applicant and adjacent property owner to come to an agreement on the tree removal. Staff has added a recommended condition of approval that prior to issuance of a building permit, the applicant provide documentation that the tree removal issue is resolved.

The landscape plan shows an existing evergreen tree located to the south of Building A along 5th Street on the adjacent property located at 440 N East Avenue proposed to be preserved throughout the duration of construction. The applicant has submitted a tree preservation plan prepared by a certified arborist.

Transformer Relocation & Screening

Ketchum Municipal Code §17.96.070 requires all roof- and ground-mounted mechanical equipment to be fully screened from public view. The project plans show an existing transformer located within the Idaho Power easement located at the southwest corner of the parking lot parcel that is proposed to remain in its existing location. Building B is proposed to encroach over the Idaho Power easement (Instrument No. 613194) located at the northeast corner of the parking lot parcel. This easement contains an existing transformer that will need to be removed and relocated. The applicant will coordinate with the City and Idaho Power to determine the appropriate location for the relocated transformer and sufficient screening that complies with both Design Review standards and Idaho Power's clearance requirements for the development's electrical infrastructure. The applicant will be required to provide the City with written confirmation that Idaho Power consents to Building B's encroachment over the easement area at the northeast corner of the parking lot parcel prior to issuance of a building permit for the project.

Property Management Office

The property management office located on the ground level along 5th Street requires a Conditional Use Permit. Offices on the ground floor with street frontage require a Conditional Use Permit in the Retail Core (CC-1) Zone pursuant to Ketchum Municipal Code §17.12.020. The applicant has included comments demonstrating the proposal's compliance with the Conditional Use Permit criteria specified in Ketchum Municipal Code §17.116.030, which is attached as Exhibit C to the Staff Report.

Ketchum Municipal Code §17.18.130 establishes the purpose of the Community Core and includes offices as a compatible use. While offices are listed as a compatible use within the CC Zoning District, this type of use decreases vibrancy downtown. Unlike retail, food service, and entertainment uses, business offices do not attract a significant amount of residents or visitors. As the hours of operation are during the day, business offices also decrease vibrancy downtown during the evening. The proposed property management along 5th Street is small in size with a total floor area of only 304 square feet. The property management office is accessory to the community housing project. This conditional use will help to enhance downtown vibrancy by providing support to the residents within 51 new affordable housing units downtown.

STAFF RECOMMENDATION

After considering the project plans, Staff's analysis, the applicant's presentation, and public comment, Staff recommends the Planning & Zoning Commission move to approve the Bluebird Village

Community Housing Project Design Review and Conditional Use Permit applications subject to the recommended conditions of approval.

RECOMMENDED MOTIONS

1. "I move to approve to approve the Design Review application Bluebird Village Community Housing Project subject to conditions 1-19 and direct staff to return with findings of fact."
2. "I move to approve the Conditional Use Permit for the property management office with street frontage along 5th Street on the ground-level of the Bluebird Village development subject to conditions 1-4 and direct staff to return with findings of fact."

RECOMMENDED DESIGN REVIEW CONDITIONS OF APPROVAL

1. This Design Review approval is subject to all comments and conditions as described in the City Department Comments attached as Exhibit F1 and Staff's analysis attached as Exhibits F2, F3, F4, and F5.
2. The Bluebird Village Community Housing Project Design Review (Application File No. P21-063) approval is subject to the Conditional Use Permit (Application File No. P21-064) for the development's property management office. All associated conditions of approval shall apply to the project.
3. This Design Review approval is contingent upon City Council's approval of the zoning code amendment to modify the fourth-floor setback requirement for community housing projects.
4. This Design Review approval is contingent upon City Council's approval of the Bluebird Village project's building height as all buildings greater than 48 feet in height or than contain a fourth floor require final approval from the City Council (KMC §17.12.040 Footnote 2).
5. Following approval of the project's master signage plan, separate sign permits shall be required for all new signs prior to installation (KMC §17.127.030.B).
6. Sheet L1.0 shows 4 existing deciduous trees straddling the interior east side property line are proposed to be removed to accommodate the proposed development. The applicant shall provide documentation this issue is resolved prior to issuance of a building permit for the project.
7. The project requires a Right-of-Way (ROW) Encroachment Permit for the snowmelt system proposed to be installed for the sidewalks along East Avenue and 5th Street, the walkway connecting the two buildings over the alleyway, the metal awnings framing the retail units along East Avenue, and window shades slightly projecting from the west façade along East Avenue. The City Council has the authority to review and approval all permanent encroachments within the public right-of-way associated with a development project pursuant to Ketchum Municipal Code §17.96.030.C. The City Council must review and approve the proposed encroachments and an associated ROW Encroachment Agreement prior to issuance of a building permit for the project.
8. The applicant will coordinate with the City and Idaho Power to determine the appropriate location for the relocated transformer and sufficient screening that complies with both Design Review standards and Idaho Power's clearance requirements for the development's electrical infrastructure.
9. The applicant shall provide the City with written confirmation that Idaho Power consents to Building B's encroachment over the easement area at the northeast corner of the parking lot parcel prior to issuance of a building permit for the project.

10. All residents with a car without an assigned parking space designated on-site shall be required to obtain a winter residential parking permit from the City to satisfy the project's on-street parking demand and comply with the Winter Residential Parking Program that may include overnight spaces in certain areas downtown and establishing odd/even parking standards during the winter.
11. This Design Review approval is based on the plans and information presented and approved at the meeting on the date noted herein. Building Permit plans for all on-site improvements must conform to the approved Design Review plans unless otherwise approved in writing by the Planning and Zoning Commission or Administrator. Any building or site discrepancies which do not conform to the approved plans will be subject to removal.
12. All governing ordinances, requirements, and regulations of the Fire Department (2018 International Fire Code and local Fire Protection Ordinance No.1217), Building Department (2018 International Building Code, the 2018 International Residential Code, and Title 15 of Ketchum Municipal Code), Utilities Department, Street Department (Title 12 of Ketchum Municipal Code), and the City Engineer shall be met prior to Certificate of Occupancy.
13. The applicant shall submit final civil drawings prepared by an engineer registered in the State of Idaho to include specification for the ROW, circulation design, utilities, and drainage improvements to be reviewed and approved by the City Engineer, Streets, and Utilities departments prior to issuance of a Building Permit for the project.
14. The term of Design Review approval shall be twelve (12) months from the date that the Findings of Fact, Conclusions of Law, and Decision are adopted by the Commission or upon appeal, the date the approval is granted by the Council subject to changes in zoning regulations (KMC §17.96.090). Any extension shall comply with KMC 17.96.090.
15. All Design Review elements shall be completed prior to issuance of a Certificate of Occupancy for the community housing development.
16. All exterior lighting on the property shall comply with Ketchum Municipal Code, Chapter 17.132, Dark Skies, and shall be inspected by Planning Staff and approved prior the issuance of a Certificate of Occupancy for the building.
17. The project shall comply with the requirements of §17.124.040 Development Standards as adopted on the date a Building Permit is submitted for the project.
18. Prior to issuance of a Building Permit for the project, the applicant shall submit a construction management plan, which addresses each of the standards as set forth in Ketchum Municipal Code, Chapter 15.06 Construction Activity Standards for review and approval by the Building, Planning, Streets, Utilities, and Fire departments.
19. In addition to the requirements set forth in this Design Review approval, this project shall comply with all applicable local, state, and federal laws.

RECOMMENDED CONDITIONAL USE PERMIT CONDITIONS OF APPROVAL

1. The Conditional Use Permit is only applicable for the Bluebird Village property management office as depicted on the Design Review Plans consisting of 304 square feet;
2. The Conditional Use Permit is non-transferable and not applicable to any other use;
3. Permit shall be reviewed by Planning Staff when a written complaint is received. Staff shall verify the complaint and notice the property owner. After two (2) notices, a public hearing before the Commission to review the Conditional Use Permit shall be scheduled and noticed;
4. The Conditional Use Permit approval (Application File No. P21-063) for the property management office is subject to the Bluebird Village Community Housing Project Design

Review (Application File No. P21-064). All associated conditions of approval shall apply to the project.

EXHIBITS:

- A. Bluebird Village Project Plans
- B. Design Review Application & Supplemental Materials
 - a. Design Review Application Form
 - b. Design Review Application Cover Letter dated July 7, 2021
 - c. Applicant Response to May 11th Planning and Zoning Commission Workshop Memo
 - d. Applicant Comments Regarding Project's Compliance with Design Review Standards
 - e. Idaho Power Service Letter
 - f. Clear Creek Disposal Letter
 - g. Tree Preservation Plan
- C. Conditional Use Permit Application & Supplemental Materials
 - a. Conditional Use Permit Application Form
 - b. Applicant Narrative Response to CUP Criteria Specified in Ketchum Municipal Code §17.116.030
- D. Bluebird Village Housing Parking Study prepared by AECOM
- E. Ketchum Parking Reports: Turnover Summary, Collection Report, Occupancy Summary, and Occupancy Report
- F. Staff Analysis:
 - 1. City Department Comments
 - 2. Community Core Dimensional Standards (KMC §17.12.040)
 - 3. Design Review Improvements and Standards (KMC §17.96.060)
 - 4. Community Core Design Review Standards (KMC §17.96.070)
- G. Public Comment