**MEMORANDUM**

TO: Planning and Zoning Commission
FROM: Morgan Landers, AICP – Director of Planning and Building
DATE: February 20, 2025
RE: Cohesive Ketchum – Phase 3 – Substantive Land Use Regulation Changes

INTRODUCTION

As the city continues to work through the Comprehensive Plan update process and the reorganization and consolidation of the existing land use regulations, staff are beginning to look forward to Phase 3 of the project. As noted in the graphic below, Phase 3 includes the substantive updates to the city's land use regulations ("code") to implement the goals and policies outlined in the updated plan. These updates are specific to the details of the zone districts, uses, and development standards by which any futures changes to properties will occur.
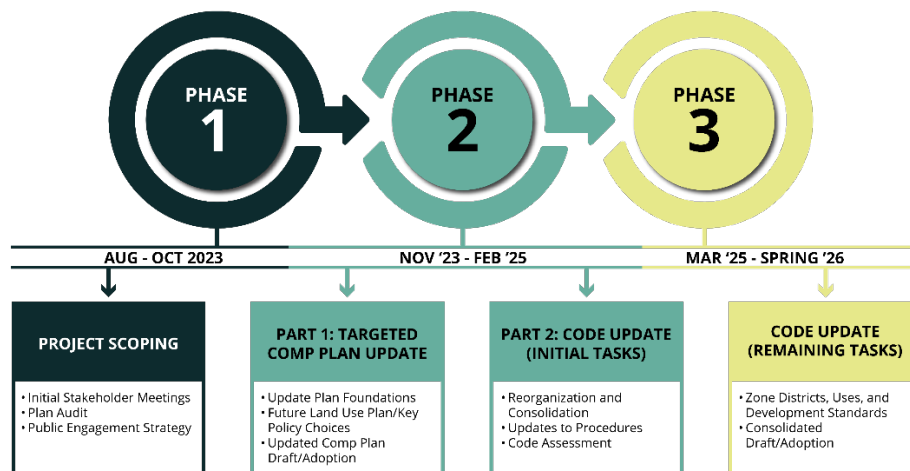
The purpose of the discussion is to:

- review the list of necessary code revisions
- determine the best approach to executing the Phase 3 code update process
- determine the priority of those revisions

Following the discussion with the Planning and Zoning Commission, staff will prepare a more detailed approach to Phase 3 based on the feedback. The proposed approach will be presented to the City Council at their March 17th meeting. The goal of that meeting is to get firm direction on the approach from the Council to prepare the scope of work, schedule, and budget for the Phase 3 work to begin in late Spring/early Summer 2025.

PROPOSED REVISIONS

Staff have compiled a list of code revisions necessary to implement the Comprehensive Plan (Attachment A). This list was generated from the implementation chapter of the draft Comprehensive Plan, feedback from the PZ Commission and City Council during joint work sessions, and items within the Phase 2 work that were not completed. To assist in review of the list, staff grouped the changes into categories, some by topic and others by zone district. It is important to note that revisions outlined in one category may be easily related to revisions in a different category, so the groups are not intended to be an assumption of association or priority. The categories are:

- Design Guidelines/Standards
- FAR Bonus for Community Housing
- Downtown
- Local Business Support
- Hotels and Base Areas
- Light Industrial District
- All Zone Districts
- Residential Areas
- Environmental
- General

To assist in the discussion, staff have provided an estimated level of effort for each revision. The level of effort noted is either low, medium, or high. Levels of effort are determined through an evaluation of:

- *Analysis/Research* – Low effort items won't require much additional study or research to determine the necessary code changes (i.e. ADUs or signs). High effort items may require additional study and research to evaluate multiple approaches and determine which approach is the most appropriate prior to drafting new regulations.
- *Drafting* – Low effort items generally do not require revisions to multiple sections of code with cross referencing. High effort items may require updates to multiple sections of code, cross references, additional definitions, and creation of graphic imagery or tables which extends the drafting time.
- *Engagement* – Low effort items generally have established community support from previous outreach efforts or may be administrative in nature allowing for changes to be made without extensive outreach and engagement efforts. High effort items will require additional engagement to inform the community of the various issues and evaluate options to ensure the goals of the plan and the community are being met.

APPROACH OPTIONS

There are a couple of ways to approach Phase 3 work. Generally, the work can be completed in one large update encompassing all proposed changes with one new adopted code at the end or in groups of updates with multiple adoptions through the duration of the project. There are pros and cons to each approach as outlined below:

Option #1: One Large Update

- Pro – comprehensive look at all code revisions simultaneously and how one revision may impact another, reducing potential rework/overlap through the process. Doesn't require prioritization of items as all items will be addressed at the same time.
- Con – overall timeframe to adoption is longer. Smaller code updates are delayed by more significant changes that take more time for research, drafting, and community engagement. May be difficult to keep the community engaged.

Option #2: Groups of Updates

- Pro – Can choose how many groups and how many revisions are completed at a time based on priority. Can adopt code revisions in a shorter period of time. Can create groups with a blend of high/medium/low items or could prioritize a full group of low effort items to accomplish updates while high effort items are being worked on. Less amount of development applications that may not align with community goals.
- Con – Requires prioritizing revisions. May require some rework of previously adopted sections depending on future changes to connected issues, creating overlap.

DISCUSSION

It is likely that either approach will be approximately 2 years of work based on the number of high effort items that have been identified through the process. Staff would be supportive of either approach to Phase 3, however, the grouped approach may be a better way to demonstrate progress to the community and not lose momentum. With a group approach, staff would recommend only two or three groups of amendments as to not piecemeal the approach too much. If helpful in the exercise, Attachment A is formatted as a worksheet where Commissioners can note their priority items. Staff recommends noting items as either low, medium, or high priority.

Based on this information, staff requests the commission answer the following questions:

- Would you recommend Option #1 or #2 as the preferred approach to the Phase 3 work?
- If you prefer Option #2, what items would you prioritize to be addressed in the first group of amendments?

ATTACHMENT A: CODE REVISIONS WORKSHEET

Design Guidelines/Standards	PZ Priority	Level of Effort
Mixed Use (downtown)		High
Multi-family		High
Light Industrial		Medium
FAR Bonus for Community Housing		
Downtown (Retail and Mixed Use Subdistricts)		High
Base Areas (FAR and Uses)		High
Residential Areas (HDR)		High
Downtown		
Re-evaluate encroachments above building height/rooftop decks and amenities		Low
Basement Invisible Plane/Underground Parking/FAR conflicts		Low
Reduce the scale of development in Retail Core (height/FAR)		High
Downtown Parking Exemptions (re-evaluate exemptions for residential uses)		Medium
Local Business Support		
Affordable Commercial Space (program and regulations)		High
Expand permitted uses in Light Industrial District (i.e. food trucks, retail, restaurants)		Low
Local Business Priority		Medium
Hotels and Base Areas		
Update of the Warm Springs Base Overlay		High
Revise the approach and parameters for hotels		Low
Light Industrial District		
Consolidation of districts and height overlays		Medium
Live/Work - where residential portion permitted, size, occupancy type		Low
Hwy 75 Setback		Medium
Parking Requirements for Commercial and Residential		Medium
All Zone Districts		
Align zone districts with adopted FLUM and adoption of an updated zoning map		High
Establish minimum/maximum unit sizes		Medium

Residential Areas		
Adjust dimensional limitations to align with existing characteristics and Land Use Categories in plan (i.e. setbacks for detached townhomes)		High
Review and revise use of detached townhomes (traditional TH development vs recent developments)		Medium
Residential Densities and Community housing (in-lieu payment for SF, or incentive increases for MF)		High
Adjust permitted uses in each district and expand definitions of different housing types based on Land Use Categories		Low
Adjust minimum/maximum lot sizes		Medium
Adjust building coverage and setback requirements based on revised lot sizes		Medium
ADUs - number permitted, accessory to duplexes and townhouses, height allowances for additions to existing structures		Low
Evaluate the allowance of Tiny Homes on Wheels		Low
Incentives/Standards for conversion of SF to MF (zoning and building code)		Medium
Condo/TH conversions (zoning and building code)		Low
Environmental		
Mountain Overlay development criteria (amount of disturbance, size of units, light trespass, wildlife interface)		Low
General development standards (pools, impervious surface, fencing, etc)		Low
Floodplain development (including riparian and wetlands)		Medium
Green Building incentives		Medium
Water Conservation/Efficiency (landscape/irrigation standards)		Medium
Avalanche Overlay clarifications		Low
General		
Clarification of Nonconformities		Low
Clarification of Sign Regulations		Low
Clarification of Dark Sky regulations (re. light trespass from interior lights)		Low
Clarification of Appeal Procedures		Low
Clarification of Enforcement Procedures		Low
Update and clarify definitions		Medium
Develop Administrative Manual (i.e. application requirements, engineering standards, how-to guides, process details)		Medium
Streamlined review process for Community Housing developments		Low