



City of Ketchum
Planning & Building

STAFF REPORT
KETCHUM PLANNING AND ZONING COMMISSION
REGULAR MEETING OF MAY 20, 2026

PROJECT: SVMOA – LI-2 Cultural Facility

FILE NUMBER: Ordinance 1276: 16.03.020.F Use Regulations Amendment

APPLICATION: Zoning Text Amendment (Applicant Initiated)

REPRESENTATIVE: Heather O’Leary & James R Laski

ZONING: Light Industrial District Number 2 (LI-2)

REVIEWER: Paige Nied – Associate Planner

NOTICE: A public meeting notice for the project was mailed to all political subdivisions, published in the Idaho Mountain Express, and posted in 3 public places (City Hall, Post Office, & Town Square) on May 5, 2026. A public meeting notice was posted to the City website and sent to other local papers and radio stations on April 29, 2026.

INTRODUCTION

The applicant is proposing to add the “Cultural Facility” use as a conditional use in the Light Industrial Number 2 (LI-2) Zone District in the Table of Permitted Uses in Ketchum Municipal Code (“KMC”) 16.03.020.F. A copy of draft Ordinance 1276 is included as Attachment B. The text amendment only applies to the LI-2 Zone, and not the Light Industrial Number 1 (LI-1) or the Light Industrial Number 3 (LI-3) zones. See Figure 1 for a map of the LI zone district boundaries.

The applicant of this text amendment is looking to relocate the Sun Valley Museum of Art (SVMOA) to a property located in the LI-2. The museum is classified as “Cultural Facility”, which is defined as, “An institution or the use of land for the display, preservation, or exhibition of art, scientific, cultural, or historical materials including, but not limited to, museums, libraries, or art galleries.” Cultural facilities are not a permitted or conditional use in the LI-2 zone district.

BACKGROUND

The Light Industrial area contains three separate zoning districts: LI-1, LI-2, and LI-3. Each of the three zones serve distinct purposes and feature different permitted and conditional uses. The LI-1 is a transitional area between the Community Core Zone District and the LI-2, and it focuses on businesses and personal services, small light manufacturing, research and development, limited retail, and offices related to building, maintenance, and construction uses. The LI-2 is the city's primary light industrial area to provide suitable land for uses not appropriate in other commercial zones due to their industrial nature but provide essential or unique services to support the local economy and permanent year-round employment base. Uses include light manufacturing, wholesale trade and distribution, research and development, service industries, limited bulk retail, and offices related to building, maintenance, and construction. The LI-3 is a transitional area between the LI-2 and residential districts, including the Limited Residential and General Residential – Low Density Zone Districts. The LI-3 provides suitable locations for a permanent year-round employment base for uses including research and development, wholesale trade and distribution, technology industries, and offices related to building, maintenance, and construction uses.

The request to conditionally allow cultural facilities in the LI-2, as opposed to allowing cultural facilities by right, is intentional because it would require each proposal to be evaluated on its own merits and compatibility with the surrounding uses. Requiring approval through the conditional use permit process ensures that factors such as operational characteristics, compatibility with industrial uses, traffic generation, parking, and comprehensive plan conformance are considered on a case-by-case basis. This approach provides flexibility to accommodate

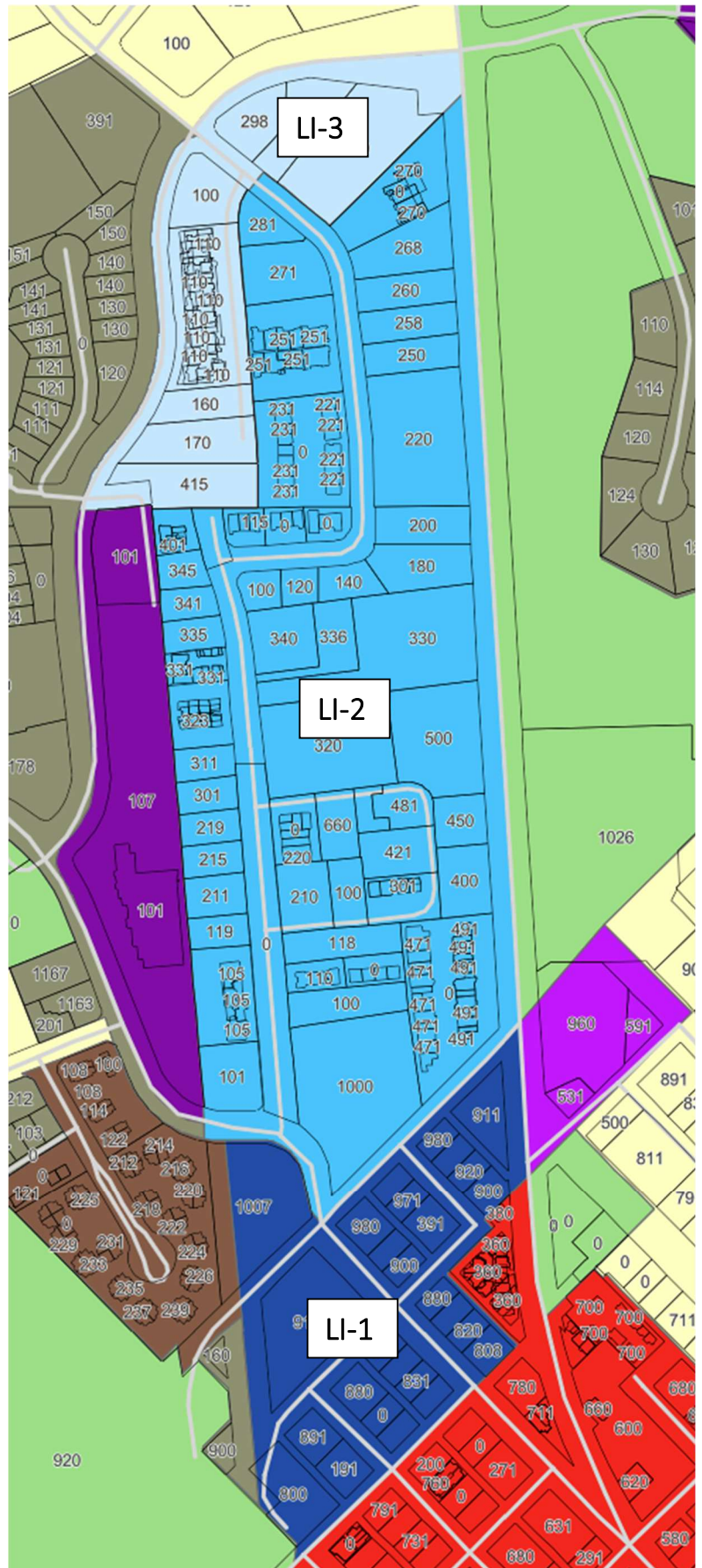


Figure 1: Light Industrial Zones

appropriate cultural facility uses while still preserving the primary industrial function and character of the LI-2 district.

ANALYSIS

KMC 16.07.070 governs amendments to Title 16 with KMC 16.07.070.A.4 outlining the three review criteria. In reviewing a code text amendment, the decision-making body shall consider whether the proposed amendment:

- a) Is consistent with the comprehensive plan and other city policies;
- b) Does not conflict with other provisions of this code or other provisions in the Ketchum Municipal Code; and
- c) Is consistent with the general purpose and intent of this code.

The request advances many of the goals and policies of the 2025 Comprehensive Plan but may not forward others. Lively Arts and Culture Scene is identified as a core value in the plan, which states, “Our diverse range of year-round arts and cultural activities is a key community asset that we will continue to actively cultivate and promote” (page 16). The plan further emphasizes the importance of supporting and strengthening Ketchum’s arts and cultural identity as an integral part of the community’s character and economy.

The goals and policies supporting the request include Chapter 3, Policy BNE-1.6, which encourages the adaptive reuse of buildings to preserve existing commercial space. The proposed text amendment would allow cultural facilities to repurpose and occupy existing commercial space within the LI-2 Zone rather than construct a new facility elsewhere, supporting the continued use and reinvestment of existing structures. The request also aligns with Policy BNE-4.4, which aims to support legacy businesses and institutions that contribute to the community’s history and identity and Policy E-1.1, which aims to support and retain existing local businesses and organizations. Museums, such as the SVMOA, are legacy establishments that have long served as a cultural and educational asset to the community for 55 years. Additionally, the proposal supports Policy ART-2.1, which strives to promote, encourage, and stimulate the growth of arts and cultural opportunities and Policy SHC-5.2, which highlights the importance of informal learning opportunities that serve all ages of the community. Cultural institutions offer a variety of classes, workshops, exhibitions, lectures, and events that engage and educate community members on arts and culture.

However, the request does not align with certain policies in the plan. The Economic Diversification section of Chapter 3 notes that Ketchum’s industrial area is unique compared to many resort communities and states that the area “presents the opportunity for businesses in industries like small manufacturing and construction services/trades to locate in the city” (page 65), recognizing that industrial uses have historically been pushed out of many resort communities. The proposed amendment would introduce a new nonindustrial use into the LI-2, which could incrementally reduce the availability of land and space for traditional industrial and trade-related businesses that rely on this area for lower land costs, functional building layouts, and access for freight movement. Additionally, Strong and Diverse Economy Policy E-1.2 seeks to preserve existing industrial spaces to ensure local businesses have places to locate and thrive. While cultural facilities could reuse existing commercial buildings, broadly allowing these establishments as a conditional use could contribute to the long-term transition away from industrial uses. Lastly, Connected Transportation Network Policy T-1.7 emphasizes facilitating the orderly movement of goods (freight), and the introduction of cultural

facilities may increase visitor traffic and parking during certain times which could hinder light industrial movement.

The Future Land Use Map designates the LI district as the only mixed-use industrial area of Ketchum, which is intended to be a vital area for economic growth and entrepreneurial opportunity. The Comprehensive Plan describes the future vision for the Mixed-Use Industrial Area as follows:

Mixed Use Industrial: The Mixed-Use Industrial (MUI) area is the workhorse of the community home to much of the non-restaurant and non-retail industry businesses, although those do exist in small amounts. Located just north of downtown from 9th Street to Saddle Rd along Lewis Street and Northwood Way, between Hwy 75 and Warm Springs Rd, the MUI is home to a wide range of businesses including but not limited to medical research companies, special events, warehouse and distribution, property management, construction, and specialty artisans. Small numbers of residential exist in the form of work/live, multi-family, and school dormitories spread inconsistently throughout the area with no common open space or gathering areas. Lots are generally larger in size with buildings situated at the center of lots surrounded by on-site parking or storage areas. Buildings are generally more industrial in nature with function being the driver of design rather than style. Off-street and on-street parking is heavily used as the area is only served by public transportation on the periphery.

The future vision outlined in the 2025 Comprehensive Plan for the MUI acknowledges the delicate balance of maintaining commercial use in this area, noting that “As legacy property ownership changes occur, it will be critical to encourage reuse of existing structures to retain businesses...” (Page 112). The proposed text amendment would ease restrictions on allowable locations for cultural facilities, such as museums like the SVMOA, which is a legacy establishment that has found it increasingly difficult to secure appropriate space in the Community Core. The plan includes primary uses for the MUI which includes the broad terms “workshops” and “studios” and it’s reasonable to categorize these uses with certain types of cultural facilities, such as museums. While staff does not believe cultural facilities fully meet the intent of the primary uses in the MUI, staff does find the use to be appropriate as a conditional use where site-specific context, operational characteristics, and compatibility with surrounding uses can be evaluated.

The parking and transportation for the MUI states that off-street parking for proposed uses is a priority and the loading/unloading needs of businesses must be planned for and accommodated onsite and on public streets (pg. 113). The LI-2 is characterized by larger lots that often provide adequate off-street parking, which would meet the needs of the parking requirements for a cultural facility. In the Community Core and Tourist zones, where cultural facilities are permitted, nonresidential uses are required to provide 1 off-street parking space per 1,000 gross square feet and cultural facilities are not exempt from this parking requirement. Also, certain types of cultural facilities, such as museums, have operational needs that more compatible with the LI-2 zone, particularly related to loading/unloading activities. Museums frequently receive and install large-scale exhibits, artwork, and display materials that require truck access and loading areas. The LI-2 is generally better equipped to accommodate these functions due to its industrial character, wider streets, and service-oriented site layouts.

The primary and secondary uses should generate little traffic from tourists and the general public. While staff acknowledges that cultural facilities may generate more traffic than some industrial uses, the majority of patrons for this type of establishment are generally attending scheduled events or

programs. Traffic circulation for light industrial vehicles is critical to this zone but it should be noted that every new proposed use in the LI-2 must demonstrate compliance with the City's off-street parking requirements. In addition, the conditional use permit process provides for the evaluation of traffic impacts.

The MUL relationship of use speaks to mitigating the inherent conflicts between residential and light industrial uses and that less intensity commercial establishments such as an office can be used as transitions between these uses. Certain lots within the LI-2 are adjacent to high-density residential developments, such as Parkside to the southwest and Northwood Place to the north. These lots are in a transitional area that could cause potential conflicts between residential and light industrial uses due to impacts of machinery noise, odors and air quality, and visual aesthetics. The location of those lots in particular would be an instance where staff believes a cultural facility would be most appropriate in the LI-2, as they would provide a better buffer between industrial and residential uses.

As the Commission considers this request, staff sees it prudent to evaluate the existing context and future potential for the LI zone districts. Today, each zone in the LI District does feel unique and distinct. The LI-1 exists as a transition area between the Community Core and LI-2 while the LI-3 is a transition area between residential zoning and the LI-2. The transitional zones are a mix of small businesses, offices, food service, work/live and retail, while the LI-2 zone maintains the bulk of true industrial uses. At the same time, there are existing uses in the LI-2, such as The Spot performing arts theater and the Ochi Gallery, that already operate in a manner more comparable to a cultural facility as both establishments host events that attract patrons and greater visitor activity, traffic, and parking demand similar to what may occur with cultural facilities.

As the LI continues to evolve with property ownership turnover, the likelihood of more residential developing in the LI zones, particularly in the LI-2 zone is high. Multi-family is a conditional use in the LI zones provided there are ground floor industrial uses. Some of the vacant parcels are being looked at for housing, such as the Forest Service property. Although cultural facilities are not light industrial in nature, they are a more compatible use with residential and appropriate on the ground floor of a mixed-use building with residential above.

Overall, staff believes amending the code to allow the conditional use of cultural facilities in the LI-2 is generally supported by the Comprehensive Plan and would provide a balanced approach that preserves opportunities for industrial uses while also supporting the retention and growth of Ketchum's arts and cultural institutions. Staff finds that allowing the use through the conditional use permit process will ensure compatibility with surrounding uses and operational impacts can be evaluated on a case-by-case basis, while supporting and strengthening Ketchum's arts and cultural identity.

Staff Recommendation

Staff recommends the Commission review the application and make a recommendation of approval for Draft Ordinance 1276 to City Council.

The Commission has the following options for recommendations:

- Approval
- Approval with recommended revisions
- Denial

If the Commission would like additional information from staff or the applicant prior to making a recommendation, the Commission can move to continue the hearing.

Attachments:

- A. Application and Supporting Documents
- B. Draft Ordinance 1276



City of Ketchum

ATTACHMENT A:

Application and Supporting Documents



**City of Ketchum
Planning & Building**

OFFICIAL USE ONLY
File Number: Ordinance XXXX
Date Received: 4/15/26
By: GB
Fee Paid: TBD
Approved Date:
Denied Date:
By:

Application for Amendment to Zoning Code Title 17 or Subdivision Code Title 16

Submit Completed application to planningandbuilding@ketchumidaho.org Or hand deliver to Ketchum City Hall, 191 5th St. W. Ketchum, ID . If you have questions, please contact the Planning and Building Department at (208) 726-7801. To view the Development Standards, visit the City website at: www.ketchumidaho.org and click on Municipal Code.

APPLICANT INFORMATION
Name: Sun Valley Center for the Arts, Inc. DBA Sun Valley Museum of Art
Mailing Address: P.O. Box 656, Sun Valley, ID 83353
Phone: 208-726-9491
Representative: James R. Laski & Heather E. O'Leary
Phone: 208-725-0055
Mailing Address: P.O. Box 3310, Ketchum, ID 83340
AMENDMENT
Section of code to be amended: Section 16.03.020.F Table of Permitted Uses (Table 16-7)
Please describe the proposed change or amended language (attach separate sheet if necessary): By way of this Application, Applicant seeks a text amendment to Section 16.03.020.F Table of Permitted Uses (Table 16-7) to add "Cultural Facility" as a conditional use that is permitted in the LI-2 (Light Industrial District Number 2).
ADDITIONAL INFORMATION
Please describe any additional information, if necessary:
APPLICATION REQUIREMENTS
Applications should include the following: <ul style="list-style-type: none"> a) Narrative describing zoning amendment See Attachment A b) Description of how the Comprehensive Plan, Zoning Ordinance, and Subdivision Ordinance support the proposed change See Attachment B c) Proposed ordinance language showing all revisions suggested See Attachment C

Applicant agrees to observe all City ordinances, laws and conditions imposed. Applicant agrees to defend, hold harmless and indemnify the City of Ketchum, city officials, agents and employees from and for any and all losses, claims, actions, judgments for damages, or injury to persons or property, and losses and expenses caused or incurred by Applicant, its servants, agents, employees, guests and business invitees and not caused by or arising out of the tortuous conduct of city or its officials, agents or employees. Applicant certifies that s/he has read and examined this application and that all information contained herein is true and correct.

Applicant Signature

Date

City of Ketchum Planning & Building Department
Amendment Application

Once your application has been received, we will review it and contact you with next steps.
No further action is required at this time.

ATTACHMENT A

Narrative Describing Proposed Amendment

The requested text amendment would only be applicable to the Light Industrial District 2 (“LI-2 District”), not the Light Industrial District 1 (“LI-1 District”) or Light Industrial District 3 (“LI-3 District”), which serve distinct purposes and contain different permitted and conditional uses. For instance, the LI-1 District is a transition area between the Community Core and the LI-2 District and focuses on business and personal services. The LI-3 District is a transition area between the LI-2 District and surrounding neighborhoods and emphasizes technology industries, office-type employment and research and development. In contrast, the LI-2 District is the core industrial zone and focuses on providing essential or unique services to support the local economy and permanent year-round employment base. Cultural Facilities are best suited in the LI-2 District rather than the LI-1 District (which focuses on businesses and personal services) or the LI-3 District (which focuses on technology industries, office-type employment and research and development) because museums, libraries and art galleries generally offer essential and/or unique services that support the local economy as well as provide permanent year-round employment and tourism. Furthermore, since the programmatic uses of Cultural Facilities include displaying, preserving and exhibiting art, scientific, cultural and historical materials, such Facilities are consistent with Commercial Studios and Craft/Cottage Industries which are some of the current permitted uses in the LI-2 District.

The requested text amendment does not rezone any parcel, alter any dimensional standard, or change any permitted use. Rather, it only adds “Cultural Facility” as a conditional use for property zoned as LI-2 in Section 16.03.020.F Table of Permitted Uses (Table 16-7). The request to allow a Cultural Facility as a conditionally permitted use in the LI-2 District rather than a permitted use is intentional as it means that every proposed Cultural Facility in the LI-2 District would require individualized public notice and comment as well as approval from the City of Ketchum’s Planning and Zoning Commission. Moreover, each conditional use permit application for a Cultural Facility would be evaluated on its merits with regards to location, scale, parking, access, and operational compatibility with adjacent industrial uses before being approved. As such, no Cultural Facility would be approved simply by virtue of the requested text amendment alone.

ATTACHMENT B

**Description of How the Cohesive Ketchum Comprehensive Plan and
Ketchum Land Development Code Support the Proposed Change**

COHESIVE KETCHUM COMPREHENSIVE PLAN

The 2025 Cohesive Ketchum Comprehensive Plan, adopted September 11, 2025 (the “Comp Plan”), was adopted after the most extensive community consultation process in the City’s recent planning history. It established arts and culture as a core value to be actively cultivated. In fact, the Comp Plan’s Community Vision statement specifically states “We will be successful by creating, attracting, and delivering excellent jobs, education, healthcare, recreation, and cultural opportunities.” *Comp Plan*, pg. 13. The Comp Plan directly supports the proposed amendment to add Cultural Facility as a conditional use in the LI-2 District. The proposed amendment implements the following adopted Core Values and Policies from the Comp Plan:

<p>Chapter 2: Community Vision and Core Values— Lively Arts and Culture Scene (Page 16)</p>	<p><i>“Ketchum knows that arts and culture are vitally important to our economy and quality of life — they tell our story . . . a thriving arts and cultural scene attracts visitors and benefits local restaurants, lodging, and retailers. Our diverse range of year-round arts and cultural activities is a key community asset that we will continue to actively cultivate and promote.”</i></p> <p>This Section of the Comp Plan identifies arts and culture as a core value to be actively cultivated. The LI-2 District contains large footprint buildings that are well-suited to be used as Cultural Facilities. This is particularly true at the LI-2 District’s southern boundary, which is adjacent to the Tourist Zone. Section 16.03.020.F Table of Permitted Uses currently offers no pathway for Cultural Facilities to be in the LI-2 District thereby creating a gap between the Comp Plan’s stated values and the City Code’s actual permissions.</p> <p>Additionally, although the Comp Plan includes “Goal Art-2: Build Ketchum’s identity as a cultural hub by increasing the visibility of the arts and cultural activities in the community”, there is a conflict with other goals in the Comp Plan that emphasize, in several places, the importance of preserving the existing character of the Downtown District and preventing the “erosion of the ‘funkiness’ that has set Ketchum’s character apart from other mountain towns.” <i>Comp Plan</i>, pgs., 28, 47, 89. The proposed amendment closes that gap and is consistent with the Comp Plan as it protects the integrity of the Downtown District while still allowing the expansion of Cultural Facilities, which require larger scale buildings with potentially more modern design. Indeed, the LI-2 District offers the most practical and reasonable location for accommodating more prominent cultural and arts programming while still protecting the cherished scale and</p>
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	<p>character of the Downtown District. Moreover, Cultural Facilities include, but are not limited to, museums, libraries and art galleries, and generally offer essential or unique services to support the local economy and permanent year-round employment, which further promotes the goals of the Comp Plan.</p>
<p>Chapter 2: Community Vision and Core Values— Strong and Diverse Economy (Page 17)</p>	<p><i>“Ketchum will establish a stable and resilient economy by fostering innovation and entrepreneurship . . . We welcome new companies and acknowledge that strong partnerships between the City and the private and non-profit sectors are essential to Ketchum's economic success.”</i></p> <p>Cultural Facilities generate measurable economic activity such as visitor spending, extended stays, and increased foot traffic for adjacent businesses while also contributing to the quality-of-life amenities that attract and retain the year-round workforce that Ketchum's economy depends on. Allowing Cultural Facilities to be conditionally permitted in the LI-2 District supports economic diversification consistent with this core value.</p>
<p>Chapter 2: Community Vision and Core Values— Vibrant Downtown (Page 18)</p>	<p><i>“Enhancements and efforts to support events, the arts, and Ketchum's history and culture will make downtown an even stronger community asset.”</i></p> <p>The LI-2 District is adjacent to the Tourist Zone and within walking distance of the Downtown District. Cultural Facilities in the LI-2 District would extend the active civic corridor northward and create year-round destinations that serve residents and visitors alike. Allowing Cultural Facilities to be conditionally permitted in the LI-2 District directly supports the Comp Plan’s goal as it promotes a vibrant, arts-enriched community while at the same time protecting the scale and character of the Downtown District. Furthermore, since Cultural Facilities are often large in scale but have low-intensity use per square foot, their economic viability depends upon affordable land/buildings. The current economics of the Downtown District generally preclude any new Cultural Facilities, which is why conditionally permitting them in the LI-2 District is a sensible way to effectively implement the Comp Plan’s objectives.</p>
<p>Chapter 3: Goals and Policies—Distinctive Built and Natural Environment (Page 30)</p>	<p><i>Policy BNE-1.5: Context-Sensitive Development → “Require infill and redevelopment projects to be tailored to the surrounding neighborhood context and applicable future land use categories.”</i></p> <p>Given the Comp Plan’s priority in maintaining compatibility within the contextual and built environments of the City, expansion of Cultural Facilities in the Tourist Zone and/or Community Core (where they are currently permitted uses) would run counter to Policy BNE-1.5. In contrast, the LI-2 District would allow for enhanced consistency in that zoning district as it already has compatible scale and massing of existing sites.</p>

<p>Chapter 3: Goals and Policies—Distinctive Built and Natural Environment (Page 30)</p>	<p><i>Policy BNE-1.6: Adaptive Reuse</i> → “Encourage adaptive reuse of buildings as a preferred alternative to demolition to maintain community character and preserve existing housing and commercial space.”</p> <p>The LI-2 District contains buildings with large floor plans and high ceilings that are well-suited for adaptive reuse as Cultural Facilities. Allowing Cultural Facilities to be conditionally permitted in the LI-2 District enables institutions to occupy and reimagine existing structures rather than requiring demolition or new construction, which is precisely the outcome that Policy BNE-1.6 was designed to achieve and which is economically unfeasible in the Tourist Zone and Community Core where Cultural Facilities are currently permitted.</p>
<p>Chapter 3: Goals and Policies—Distinctive Built and Natural Environment (Page 30)</p>	<p><i>Policy BNE-1.7: Transition Areas</i> → “Where neighborhoods have density or use transitions, such as low-density residential to medium-density residential or commercial uses to residential uses . . . ”</p> <p>The southern edge of the LI-2 District, where it meets the Tourist Zone, is a transition area. Cultural Facilities — which are civic in nature, low in operational impact, compatible with both recreational and light industrial neighbors — are an appropriate transitional use at this boundary. The conditional use process ensures that each application for a proposed Cultural Facility in the LI-2 District is reviewed for context-sensitive compatibility.</p>
<p>Chapter 3: Goals and Policies—Lively Arts and Culture Scene (Page 46)</p>	<p><i>“Ketchum encourages and supports area arts and cultural organizations, programs, and facilities as essential elements to a balanced, sustainable, and healthy community . . . Building Ketchum’s identity as a cultural hub by increasing the visibility of the arts and cultural activities.”</i></p> <p>This Section of the Comp Plan identifies arts and culture as a core value to be actively cultivated. The LI-2 District contains large footprint buildings that are well-suited to be used as a Cultural Facility. This is particularly true at the LI-2 District’s southern boundary, which is adjacent to the Tourist Zone. Section 16.03.020.F Table of Permitted Uses currently offers no pathway for Cultural Facilities to be located in the LI-2 District thereby creating a gap between the Comp Plan’s stated values and the City Code’s actual permissions. The proposed amendment closes that gap.</p>
<p>Chapter 3: Goals and Policies—Education</p> <p>Goal SHC-5: Increase Educational Opportunities for Life-Long Learning</p>	<p><i>Policy SHC-5.1: Coordination with Schools</i> → “Coordinate with Ketchum’s public and private schools to serve community educational needs.”</p> <p>Cultural Facilities include, but are not limited to, museums, libraries and art galleries. Such Facilities generally offer diverse programming to serve community educational needs. The LI-2 District is in close</p>

(Page 64)	proximity to the City’s public school. Allowing Cultural Facilities to be conditionally permitted in the LI-2 District greatly facilitates the coordination with the City’s school for supplementing arts and cultural education programs.
<p>Chapter 3: Goals and Policies—Education</p> <p>Goal SHC-5: Increase Educational Opportunities for Life-Long Learning (Page 64)</p>	<p><i>Policy SHC-5.2: Life-Long Learning Opportunities → “Recognize and encourage informal learning opportunities sponsored by a wide range of organizations.”</i></p> <p>The LI-2 District is an advantageous zone for advancing opportunities to serve life-long learners with accessible arts programming and classes, workshops and other offerings in the arts and culture space because the buildings in this District can better accommodate larger groups and capacity for more varied offerings. Additionally, there is convenient access to public transportation at the southern end of the LI-2 District which makes it particularly successful in meeting the needs of seniors and youth who are reliant on public transportation such as Mountain Rides.</p>
<p>Chapter 3: Goals and Policies—Strong and Diverse Economy (Page 67)</p>	<ul style="list-style-type: none"> • <i>“Support and attract entrepreneurs and businesses that diversify and sustain the local economy and level out seasonal fluctuations”</i> • <i>Strengthen Ketchum’s economic base through the coordinated management of tourism destinations and expansion of visitation seasons”</i> <p>The LI-2 District contains large footprint buildings that are well-suited to accommodate Cultural Facilities which can offer robust cultural programming options and a greater diversity of events or other activities during slack seasons to generate and maintain resident and visitor activity throughout the year and to also help sustain local businesses. This also promotes the Comp Plan’s Goal E-2 to “continue to support our tourism economic base through coordinated management of tourism destinations and expansion of visitation seasons.”</p>
<p>Chapter 4: Growth Framework: Mixed-Use Industrial (MUI) (Page 112)</p>	<p>The mixed-use industrial area provides opportunities for economic development, tourism and jobs. The LI-2 District is particularly suited to conditionally permitting Cultural Facilities as some of the desired characteristics of mixed-use neighborhoods are the introduction of public amenities and gathering spaces.</p> <p>Additionally, Cultural Facilities include, but are not limited to, museums, libraries and art galleries, which generally offer essential or unique services to support the local economy and permanent year-round employment, which are the primary purposes of the LI-2 District.</p>

KETCHUM LAND DEVELOPMENT CODE

The Ketchum Land Development Code, effective January 1, 2026 (the “Code”), specifically states that the regulations set forth therein “are designed for the purpose of promoting health, safety, and general welfare of the present and future inhabitants of Ketchum, Idaho, by accomplishing, among others . . . Implement[ing] the Comprehensive Plan.” *Code*, pg. 1. The Code specifically states that the purpose of the LI-2 District is “established to provide suitable land for uses that are not appropriate in other commercial zones due to their light industrial nature, but that provide an essential or unique service to support the local economy and permanent year-round employment.” *Id.*, pg. 24.

A. The Code Does Not Currently Reflect the Comp Plan

Currently, the Code does not fully implement the Comp Plan’s policies into the LI-2 District. For instance, although Section 16.03.020.F Table of Permitted Uses (Table 16-7) allows a broad range of light industrial, commercial, and residential uses in the LI-2 District — including work/live units, craft studios, automotive services, and warehousing — it currently does not allow Cultural Facilities of any kind. Thus, the Code does not anticipate the growth in Cultural Facilities required or encouraged by the Comp Plan and since there are very limited and diminishing opportunities to implement the Comp Plan, as it relates to Cultural Facilities, it is important to rectify this gap. This is especially true because the LI-2 District contains some of the only large footprint, high-clearance buildings in Ketchum that are capable of accommodating a Cultural Facility. Additionally, the LI-2 District has more parking options to accommodate Cultural Facilities than the Community Core and most of the Tourist Zone. As stated above, the LI-2 District’s southern boundary directly abuts the Tourist Zone and the YMCA — a corridor that the Comp Plan identifies as an appropriate location for arts and history integration. The requested text amendment is necessary because if there is not a pathway to allow Cultural Facilities in the LI-2 District, the Comp Plan’s vision for arts and culture cannot be fully realized in the zoning areas where Cultural Facilities are allowed. Currently, the Tourist District and Community Core Districts are the only zones where Cultural Facilities are permitted. However, there are limited opportunities for growth of Cultural Facilities in those areas due, in large part, to conflicting pressures in the Comp Plan to maintain the scale and character of those areas as well as the “funkiness” of the Downtown District and the lack of available sites in the Tourist District and Community Core Districts that could accommodate a Cultural Facility. Therefore, expansion of Cultural Facilities into the LI-2 District is not only appropriate but is necessary.

B. The Requested Text Amendment Seeks a Minimal Change to the Code

The requested text amendment which seeks to allow Cultural Facilities as a conditionally permitted use in the LI-2 District only adds one use category to the LI-2 District Use Matrix. Notably, it does not alter any dimensional standard, height limit, setback, density, or other development regulation. Moreover, it does not change the LI-2 District’s purpose, character or primary use profile and it does not preclude any currently permitted or conditional use. This is a deliberate choice grounded in sound planning practice as follows:

- Individual Application Review: Every Cultural Facility that is proposed in the LI-2 District will be subject to full public notice, hearing, and conditional use criteria evaluation. No project would be approved by the requested text amendment alone.
- Conditions of Approval: The conditional use application process allows the City to attach conditions specific to each proposal — addressing parking, hours, access, lighting, signage, and compatibility with adjacent industrial uses — calibrated to the actual site and operational context.
- Applicant Accountability: Conditional use approval is tied to a specific applicant, use, and operational description. Changes in use or operation require amending a conditional use permit or applying for a new permit altogether.
- No Spot Zoning: The requested text amendment applies to the LI-2 District as a whole, creating a use category available to any qualifying applicant. It does not create a zone within a zone, rezone a specific parcel, or confer site-specific entitlements. Rather, it is a use-matrix addition, not a zoning map change.

C. Cultural Facilities Are Compatible With the LI-2 District and Surrounding Areas

Cultural Facilities are compatible with the LI-2 District as a whole and particularly well-suited to the District's transitional southern edge. The following analysis addresses compatibility systematically:

Factor	Analysis
Traffic and Freight	Cultural Facilities generate passenger vehicle and pedestrian traffic only — no heavy freight, delivery trucks, or industrial vehicle movements. This is a materially lower-impact than most permitted uses in the LI-2 District. Additionally, Cultural Facilities tend to have periodic rather than continuous use and often have low-traffic generation per square foot.
Noise and Odor	Cultural Facilities produce no industrial noise, machinery, or odor. Gallery and museum operations are quiet uses compatible with any adjacent context.
Hazardous Materials	Cultural Facilities do not generate or store hazardous materials. Adaptive reuse of existing industrial buildings for cultural use reduces, not increases, chemical and fire risk on the site.
Hours of Operation	Cultural Facilities experience peak usage during the evening hours and weekends — periods when adjacent industrial uses are typically inactive. This creates

	<p>complementary rather than competing peak-use periods as Cultural Facilities would not conflict with operations, traffic and parking demands of adjacent industrial uses.</p>
<p>Industrial Neighbor Compatibility</p>	<p>A Cultural Facility does not conflict with the light industrial operations typical of the LI-2 District such as workshops, studios, services, work/live units. In fact, many of the programmatic uses of Cultural Facilities, such as artist workshops, studios, maker’s spaces and other activities where fabrication, assembly and production of artwork take place, are consistent with the other permitted uses in the LI-2 District.</p> <p>For instance, Commercial Studios are a permitted use in the LI-2 District and allow work spaces “for artists and artisans, including individuals practicing, teaching, or demonstrating in one of the fine arts or performing arts, or skilled in an applied art or craft.” Likewise, Instructional Services, which are conditionally permitted in the LI-2 District, include but are not limited to the following services: “music, painting, ceramics, photography, fiber arts, educational tutoring facilities, handicraft, or hobby instruction.”</p> <p>And, the conditional use process provides the tool to evaluate any specific adjacency concerns project by project.</p>
<p>Tourist Zone Adjacency</p>	<p>The southern boundary of the LI-2 District abuts the Tourist Zone, which the Comp Plan envisions as a corridor for arts, history, and community gathering. Cultural Facilities at this boundary are the uses that are most directly aligned with the Comp Plan’s vision for this transition area. The conditional use process ensures that each proposal is reviewed in its specific locational context.</p>

D. Availability of Existing Infrastructure Supports Cultural Facilities in the LI-2 District

Notably, Cultural Facilities, as a use type, generally have less impact than the currently permitted uses in the LI-2 District. The following analysis addresses the infrastructure context

applicable to Cultural Facility uses in the LI-2 District:

- Water and Sewer: The LI-2 District is served by existing City water and sewer infrastructure. Cultural Facility uses, which include galleries, offices, education, and event space, generate significantly less water and sewer demand than manufacturing, laboratory, and similar industrial uses.
- Stormwater: Cultural Facility proposals involving adaptive reuse of existing buildings generate no new impervious surface. Notably, new construction Cultural Facilities would be subject to standard stormwater review as part of the conditional use process.
- Transportation and Access: The LI-2 District is served by Lewis Street and Highway 75. Mountain Rides public transit currently serves the corridor and there is nearby access to the bike path. The LI-2 District is within walking and biking distance of the Downtown District. Cultural Facilities generally experience peak visitor traffic during the evening hours and weekends — patterns that are complementary to, rather than cumulative with, the freight and employee traffic of adjacent industrial uses.
- Parking: Cultural Facility parking demand varies by project scale, hours of operation, and transit access. Each conditional use application would include a site-specific parking analysis, and conditions of approval may address shared parking, off-peak demand management, and pedestrian access to reduce vehicle trips.
- Fire and Emergency Services: The Ketchum Fire District serves the LI-2 District. Cultural Facilities do not generate hazardous materials, chemical storage, or industrial fire risk. In adaptive reuse scenarios, conversion from industrial to cultural use typically reduces, rather than increases, the fire risk profile of a building.
- Utilities: Electric, gas, and telecommunications infrastructure is available throughout the LI-2 District.

ATTACHMENT C Proposed Ordinance

Chapter 16.03 Use Regulations

16.03.020: Table of Permitted Uses | 16.03.020.F: Table of Permitted Uses

Table 16-7: Table of Permitted Uses

P = permitted **C** = Conditional Use Permit required **A** = Accessory **P/C** = See use-specific standards **Blank Cell** = use prohibited

	Residential								Commercial and Mixed-Use							Other		Use-Specific Standards	
	LR	LR-1	LR-2	GR-L	GR-H	STO-4	STO-1	STO-H	T	T-3000	T-4000	CC-1	CC-2	LI-1	LI-2	LI-3	RU		AF
Residential																			
Community housing units	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16.02.070.B.2
Dwelling, one-family	P	P	P	P		P	P	P	P	P	P	C	C				C	P	16.03.030.A.1 16.03.030.A.4
Dwelling, multi-family				P	P			P	P	P	P	P	P	C	C	C	C		16.03.030.A.2 16.03.030.A.4
Work/live unit														P	P	P			16.03.030.A.3 16.03.030.A.4
Residential care facility	P	P	P	P	P	P	P	P	P	P	P	P	P				P	P	16.03.030.A.5
Public and Institutional																			
Community and Cultural Facilities																			
Assembly, place of				C	C				C			C	C						16.03.030.B.1
Cemetery																	C	C	
Cultural facility									P			P	P		C		C		16.03.030.B.2
Daycare center				C	C				P	P	P	P	P	C		C			16.03.030.B.3
Daycare facility				C	P			C	P	P	P	P	P	C		C	P		
Golf course	P	P	P	P	P	P	P	P	P	P	P						C		16.03.030.B.4
Nature preserve	P	P	P	P	P	P	P	P	P	P	P	P	P				P	P	
Public use	C	C	C	C	C	C	C	C	P	C	C	P	P	P	P	P	P	C	
Recreation facility, public	P	P	P	P	P	P	P	P	P	P	P	P	P				P	P	
Recreation facility, semi-public				C	C				C										
Semi-public use					C				P/C	C	C	P	P				C	C	16.03.030.B.5
Educational Facilities																			

Chapter 16.03 Use Regulations

16.03.020: Table of Permitted Uses | 16.03.020.F: Table of Permitted Uses

	Residential									Commercial and Mixed-Use							Other		Use-Specific Standards
	LR	LR-1	LR-2	GR-L	GR-H	STO-4	STO-1	STO-H	T	T-3000	T-4000	CC-1	CC-2	LI-1	LI-2	LI-3	RU	AF	
School residential campus																P			16.03.030.B.6
Healthcare Facilities																			
Hospital									C			C	C						16.03.030.B.7
Medical care facility					C				P			P	P						
Mortuary												C	C						16.03.030.B.8
Commercial																			
Adult Uses																			
Adult only business															C				
Agriculture and Animal																			
Agriculture, commercial																		P	
Equestrian facility																	C	C	
Kennel, boarding														P	P				
Veterinary service establishment														P	P		C		16.03.030.C.1
Food and Beverage Services																			
Bar/lounge									P	P	P	P	P	C	C				16.03.030.C.2
Food service									P	P	P	P	P	P/C	P/C	P/C	C		16.03.030.C.3
Lodging Facilities																			
Hotel									P	P	P	P	P						16.03.030.C.4
Lodging establishment									P	P	P	P	P						
Short-term rental	P	P	P	P	P	P	P	P	P	P	P	P	P				P	P	16.03.030.C.5
Tourist house									P	P	P	P	P						16.03.030.C.6
Tourist housing accommodation							P	P	P	P	P	P	P						16.03.030.C.7
Office, Business, and Professional Services																			

Chapter 16.03 Use Regulations

16.03.020: Table of Permitted Uses | 16.03.020.F: Table of Permitted Uses

	Residential									Commercial and Mixed-Use							Other		Use-Specific Standards
	LR	LR-1	LR-2	GR-L	GR-H	STO-4	STO-1	STO-H	T	T-3000	T-4000	CC-1	CC-2	LI-1	LI-2	LI-3	RU	AF	
Business support service									P			P	P	P	P				16.03.030.C.8
Office, business									P/C			P/C	P			P			16.03.030.C.9
Office, contractor-related business									P/C			P/C	P	P	P	P			16.03.030.C.9
Professional research service														P	P	P			
TV and radio broadcasting station														P	P	P			
General Services																			
Commercial studio									P			P	P	P	P	P			16.03.030.C.10
Instructional service									P			P	P	C	C				16.03.030.C.11
Laundry, industrial														P	P				
Personal service									P	P	P	P	P	P					16.03.030.C.12
Recreation and Entertainment																			
Health and fitness facility - wellness focus									P			P	P	P	P	P			16.03.030.C.13
Outdoor entertainment									P	P	P	P	P						
Performing arts production									P			P	P				C		16.03.030.C.14
Recreation facility, commercial				C	C				P/C	C	C	P	P				C		16.03.030.C.15
Recreation facility, high intensity														P	P				
Ski facility									C	C	C						C	C	16.03.030.C.16
Retail Sales																			
Convenience store									P			P	P	P	P				16.03.030.C.17
Grocery store									P			P	P						16.03.030.C.18

Chapter 16.03 Use Regulations

16.03.020: Table of Permitted Uses | 16.03.020.F: Table of Permitted Uses

	Residential								Commercial and Mixed-Use							Other		Use-Specific Standards	
	LR	LR-1	LR-2	GR-L	GR-H	STO-4	STO-1	STO-H	T	T-3000	T-4000	CC-1	CC-2	LI-1	LI-2	LI-3	RU		AF
Retail trade									P			P	P	P	P		C		16.03.030.C.19
Transportation																			
Parking facility, off-site									C	C	C	C	C	P	P	P			
Parking, shared									P/C	C	C	P	P	C	C	C			16.03.030.C.20
Truck terminal														P	P				
Vehicles and Equipment																			
Maintenance service facility														P	P		C		
Motor vehicle fueling station														C	C				16.03.030.C.21
Motor vehicle sales														C	C				
Motor vehicle service														P	P				
Repair shop									P	P	P	P	P	P	P				16.03.030.C.22
Industrial																			
Manufacturing and Processing																			
Craft/cottage industry														P	P	P			
Hybrid production facility									P			P	P	P	P				16.03.030.D.1
Industrial design														P	P	P			
Manufacturing														P	P				
Recycling center															C				
Storage and Warehousing																			
Construction material laydown yard														P	P	P			

Chapter 16.03 Use Regulations

16.03.020: Table of Permitted Uses | 16.03.020.F: Table of Permitted Uses

	Residential								Commercial and Mixed-Use							Other		Use-Specific Standards		
	LR	LR-1	LR-2	GR-L	GR-H	STO-4	STO-1	STO-H	T	T-3000	T-4000	CC-1	CC-2	LI-1	LI-2	LI-3	RU		AF	
Off-site snow storage, commercial									P/C			P/C	P/C	P/C	P/C	P/C				16.03.030.D.2
Off-site snow storage, neighborhood	P/C	P/C	P/C	P/C	P/C	P/C	P/C	P/C		P/C	P/C									16.03.030.D.2
Self-service storage facility														P	P					
Storage yard														P	P	P				
Warehouse														P	P	P				
Wholesale														P	P					
Public and Semi-Public Utility																				
Geothermal utility											C									16.03.030.E.1
Public utility	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Wireless communication facility	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	16.03.030.E.2
Accessory																				
Agriculture, urban	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	16.03.040.B.1
Avalanche protective, deflective, or preventive structure/earthwork	C	C	C	C	C	C	C	C	C	C	C							C	C	
Daycare home	A	A	A	A	A	A	A	A	A	A	A			C					A	16.03.040.B.2
Daycare, onsite employees														A	A	A				
Drive-through facility									P			P	P							16.03.040.B.3
Dwelling unit, accessory	A	A	A	A	A	A	A	A	A	A	A	A	A						A	16.03.040.B.4

Chapter 16.03 Use Regulations

16.03.020: Table of Permitted Uses | 16.03.020.F: Table of Permitted Uses

	Residential								Commercial and Mixed-Use							Other		Use-Specific Standards	
	LR	LR-1	LR-2	GR-L	GR-H	STO-4	STO-1	STO-H	T	T-3000	T-4000	CC-1	CC-2	LI-1	LI-2	LI-3	RU		AF
Electric vehicle charging station	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	
Energy system, solar	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	
Energy system, wind	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	
Equestrian facility, residential	A	A	A	A	A	A	A	A	A	A	A							A	16.03.040.B.5
Fallout shelter	A	A	A	A	A	A	A	A	A	A	A							A	16.03.040.B.6
Guesthouse	A	A	A	A	A	A	A	A	A	A	A								16.03.040.B.7
Home occupation	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	16.03.040.B.8
Household pets	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	16.03.040.B.9
Recreation facility, residential	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A			16.03.040.B.10
TEMPORARY																			
Temporary sawmill																		C	



City of Ketchum

ATTACHMENT B:

Draft Ordinance 1276

DRAFT ORDINANCE NO. 1276

AN ORDINANCE OF THE CITY OF KETCHUM, BLAINE COUNTY, IDAHO, AMENDING TITLE 16, THE LAND DEVELOPMENT CODE, OF THE KETCHUM MUNICIPAL CODE BY AMENDING: SECTION 16.03.020.F: TABLE OF PERMITTED USES, TO ADD “CULTURAL FACILITY” AS A CONDITIONAL USE IN THE LIGHT INDUSTRIAL NO.2 ZONE DISTRICT; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE, PROVIDING A REPEALER CLAUSE; PROVIDING FOR PUBLICATION BY SUMMARY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Sun Valley Museum of Art submitted a text amendment application to add “Cultural Facility” as a conditional use in the Light Industrial No.2 (LI-2) Zone District; and

WHEREAS, cultural facilities may include uses such as museums, libraries, galleries, and similar community-serving uses that contribute to the economic and social vitality of the community; and

WHEREAS, the City recognizes arts and culture as an important community asset that supports economic development, tourism, community identity, and year-round activity; and

WHEREAS, allowing cultural facilities as a conditional use within the LI-2 District provides an opportunity for adaptive reuse of existing industrial and commercial buildings; and

WHEREAS, the Conditional Use Permit process provides the City the ability to evaluate each cultural facility proposed in the LI-2 Zone on its own merits, including operational characteristics, parking, traffic generation, compatibility with adjacent uses, and comprehensive plan conformance; and

WHEREAS, the amendment provides a balanced approach that preserves opportunities for industrial uses while also supporting the retention and growth of Ketchum’s arts and cultural institutions; and

WHEREAS, the proposed amendment is supported by the 2025 Comprehensive Plan and Future Land Use Map; and

WHEREAS, the Planning and Zoning Commission held a public hearing on May 20, 2026, and provided a unanimous recommendation of approval on the ordinance to City Council,

WHEREAS, the City Council held public hearings and conducted three readings of Ordinance 1276 on _____, _____, and _____, resulting in approval of this ordinance; and

WHEREAS, the City Council hearings were duly noticed per the requirements of Idaho Code Section 67-6509; and

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

SECTION 1. AMENDMENT TO CHAPTER 16.03 – Use Regulations

Section 16.03.020.F – Table of Permitted Uses:

Table 16-7: Table of Permitted Uses

P = Permitted C = Conditional Use Permit required A = Accessory Blank Cell = use prohibited

	Residential								Commercial and Mixed-Use							Other		
	LR	LR-1	LR-2	GR-L	GR-H	STO-4	STO-1	STO-H	T	T-3000	T-4000	CC - 1	CC - 2	LI-1	LI-2	LI-3	RU	AF
Public and Institutional																		
Community and Cultural Facilities																		
Cultural Facility									P			P	P		C		C	

SECTION 2. SAVINGS AND SEVERABILITY CLAUSE. If any section, paragraph, sentence or provision hereof of the application to any particular circumstances shall ever be held invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect and applicable to all circumstances to which it may validly apply.

SECTION 3. REPEALER CLAUSE. All City of Ketchum Ordinances or parts thereof which are in conflict herewith are hereby repealed.

SECTION 4. PUBLICATION. This Ordinance, or a summary thereof in compliance with Section 50-901A, Idaho Code, substantially in the form annexed 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 5. EFFECTIVE DATE. This Ordinance shall be in full force and effect after its passage, approval and publication, according to law.

PASSED BY the CITY COUNCIL and APPROVED by the MAYOR of Ketchum, Idaho, on this _____ day of _____, 2026.

APPROVED:

Peter Prekeges, Mayor

ATTEST:

Trent Donat, City Clerk



City of Ketchum

Exhibit A

PUBLICATION SUMMARY

DRAFT ORDINANCE 1276

AN ORDINANCE OF THE CITY OF KETCHUM, BLAINE COUNTY, IDAHO, AMENDING TITLE 16, THE LAND DEVELOPMENT CODE, OF THE KETCHUM MUNICIPAL CODE BY AMENDING: SECTION 16.03.020.F: TABLE OF PERMITTED USES, TO ADD “CULTURAL FACILITY” AS A CONDITIONAL USE IN THE LIGHT INDUSTRIAL NO.2 ZONE DISTRICT; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE, PROVIDING A REPEALER CLAUSE; PROVIDING FOR PUBLICATION BY SUMMARY; AND PROVIDING AN EFFECTIVE DATE.

A summary of the principal provisions of Ordinance No. 1276 of the City of Ketchum, Blaine County, Idaho, adopted on _____ is as follows:

- SECTION 1.** Addition of “Cultural Facility” as a conditional use in the Light Industrial No. 2 Zone District.
- SECTION 2.** Provides a savings and severability clause.
- SECTION 3.** Provides a repealer clause.
- SECTION 4.** Provides for publication of this Ordinance by Summary.
- SECTION 5.** Establishes an effective date.

The full text of this Ordinance is available at the City Clerk’s Office, Ketchum City Hall, 191 5th Street West, Ketchum, Idaho 83340 and will be provided to any citizen upon personal request during normal office hours.

ATTEST:

APPROVED:

Trent Donat, City Clerk

Pete Prekeges, Mayor