



City of Ketchum

**CITY COUNCIL MEETING AGENDA MEMO**

Meeting Date:  Staff Member/Dept:

Agenda Item:

Recommended Motion:

"I move to approve the new STR fee of \$504.00, reduced from the previous \$527.00 based on revised cost recovery."

Reasons for Recommendation:

- On April 17, 2023, the Council received a recap of the first year for the STR registration program.
- There were discussions about moving to a dual rate structure (initial application and renewal)
- Staff further evaluated the concept, and it is recommending a single rate.

Policy Analysis and Background (non-consent items only):

Upon reviewing the concept of a dual rate, staff is concerned about setting a false sense of expectations regarding cost recovery. Specifically, it is unclear how long it will take to gain compliance with the remaining unregistered units.

On June 1, 2022, all Short-term Rental units were required to register with the city and comply with health and safety regulations. Idaho state law specifically empowers cities to regulate:

- *"63-1802. LEGISLATIVE INTENT. This act is designed to promote access to short-term rentals and vacation rentals by limiting local governmental authority to prohibit these beneficial property uses, or to specifically target them for regulation, **except in circumstances necessary to safeguard public health and welfare.**"*

The following elements contained in the ordinance:

- All STRs required to register with City
- Permit requirements focused on life safety, including:
  - Operable bedroom windows
  - Monitored smoke alarms and carbon monoxide detectors, fire extinguishers, and fire/life safety plan
  - Adequate parking and safe site access
  - Quiet hours
  - Local representative listed
  - 20+ occupants = CUP
  - Not allowed in Light Industrial; not allowed in avalanche zones during winter months (Nov 15 – April 15)

Sustainability Impact:

No direct impact.

Financial Impact:

None OR Adequate funds exist in account:

The attached exhibit illustrates cost recovery methodology.

Attachments:

1. Cost recovery methodology



Short-Term Rentals  
**Fee Methodology**

	Year 1	Year 2
Program Costs	\$273,815	\$204,691
Registered Units	402	406
Actual Registration Fee	\$527	
Proposed Registration Fee		\$504
Net Cost of Program	\$61,961	
Cost Recovery Rate	77.4%	100%
Break-Even Fee Amount	\$681/unit	\$504/unit
Break-Even Fee Amount		\$202/room*

\*based on 1,105 bedrooms