



City of Ketchum

January 21, 2020

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation to:

- (1) hear from the applicant and staff on PEG's updated plans,
- (2) hold a public hearing and receive public testimony on new information,
- (3) deliberate on the planned unit development CUP, (4) deliberate on the preliminary plat, and
- (5) continue the development agreement portion of the public hearing

Recommendation and Summary

Staff is recommending the Ketchum City Council (Council or KCC) adopt the following three motions:

Motion No. 1:

- Approval of the Planned Unit Development Conditional Use Permit and CUP for the PEG Ketchum Hotel with conditions, *[In the event of changes, if any, specifically identifying in the motion the language change/s. or any language deletions by section number to the conditions]* as set forth in **Attachment E.4.A**; and
- Direct the city engineer, consistent with condition 4.2.4 of **Attachment E.4.A**, to work with the Applicant to complete the State Highway 75 (SH75) Encroachment Permit with the Idaho Transportation Department (ITD) that excludes (other than emergency access) any direct approach into the project; and
- Direct the city attorney and planning staff to prepare Findings of Fact, Conclusions of Law, Order of Decision of the City Council for the City Council's consideration, approval and adoption at the continuance of this hearing.

Motion No. 2:

- Approval of the Preliminary Plat for the PEG Ketchum Hotel with conditions as set forth in **Attachment E.2.A**

Motion No. 3:

- To continue the public hearings to the Ketchum City Council to be held on *[insert the date and time]* as follows:
 - Regarding the development agreement, to receive applicant reports, staff reports and public testimony for City Council consideration and action; and
 - Regarding the application for Planned Unit Development Use Permit and CUP in order, to receive the city attorney's and planning staffs' prepared the Findings of Fact, Conclusions of Law, Order of Decision as directed in Motion No. 1 for City Council consideration, approval and adoption and final action.

The reasons for the recommendation are as follows:

- The Ketchum Planning and Zoning Commission (PZ or Commission) unanimously recommended approval of the PEG Ketchum Hotel Planned Unit Development Conditional Use Permit and Preliminary Plat.
- Both the applicant's traffic engineer (Hales Engineering) and the city's 3rd party traffic engineer (AECOM on behalf of the City) find acceptable levels of service for the project with the River Street access.
- On-site employee housing is a preferred solution for the project and support for this can be found in the recommendation of the PZ and the city's comprehensive plan, as well as the recommendations of the Blaine County Housing Authority.
- Substantial evidence has been provided that there are special physical characteristics and conditions affecting the property and the side setback, FAR (as noted below), height, and minimum lot size waivers requested are the minimum necessary.
- A floor area ratio (FAR) waiver greater than 0.5 is warranted, but a FAR waiver in excess of 1.6 even with the on-site employee housing is not warranted. As a result and upon direction of Council, the applicant has scaled down the bulk and mass of the hotel to a FAR of 1.57.

Background

On October 7, 2019 the KCC received a full copy of the record of the Ketchum Planning and Zoning Commission's recommendation on the PEG Ketchum Hotel application for a hotel at the southwest corner of River Street and State Highway 75/Main Street ("Gateway Site").

In addition to the October 7th hearing, KCC held a public hearing on December 2, 2019 on the PEG Ketchum Hotel. As a result of clarifications and deliberations and testimony from the applicant, staff, city consultants, and the public, the project plans have been modified.

The Applicant has worked on the issues identified by the Council and has provided amendments to its plans aimed, in part, to eliminate or reduce the waivers requested in terms of bulk (e.g., floor area ratio) and impacts to River Street and neighboring properties, including the Forest Service Park sub-area.

Key highlights of changes to the Applicant's plan, dated January 21, 2019, include:

- Reduction of the number of hotel rooms from 100 to 92.
- Inclusion of +/- 9,000 square feet of dedicated on-site employee housing.
 - Configuration includes 12 one-bedroom studios, 2 two-bedroom suites, and 1 four-bedroom suite for a total of 23 employee beds
 - Seventeen of the beds are single occupancy rooms or units with only 6 beds having shared occupancy bedrooms
 - Bathroom ratio has improved with the new plan having a maximum of 7 occupants sharing 4 bathrooms
- Rejection of ingress/egress to the Project from State Highway 75 for anything other than emergency access staging.
- Retention of the roof top bar and on-site employee housing as public amenities.
- Reduction in the project FAR to comply with the maximum 1.6 FAR allowance shown for the Tourist zone in Section 17.124.040.A.

- Reduction in waiver requests:
 - FAR from 1.9 to 1.74 to 1.57;
 - Front and rear setbacks comply with city requirements; and
 - The average west-side setback increased from 5' to 15.6' to 17.5' and the average east -side setback is now 31.3'.
 - Note: Waivers are still required as portions of the hotel would intrude into both side yard setbacks.
- See **Attachment E.4.A** for an updated waiver request analysis and related draft findings on this PEG Ketchum Hotel PUD CUP application.

Analysis

The project design has evolved as a result of council direction, public comment and professional input.

Of note is that project ingress/egress to State Highway 75 (SH75) has been determined to be inadvisable for anything other than fire emergency staging. Further, River Street has been analyzed by the design team, AECOM, city staff and the Council and determined to be the preferred solution for project access in terms of level of service, traffic flow, circulation, deliveries, parking, snow removal, and pedestrian access.

The Council has determined that the project does not, as a consequence of special physical characteristics or conditions affecting the property, warrant front or rear setback waivers. In a similar manner, a floor area ratio (FAR) waiver greater than 1.6 even with the on-site employee housing is not warranted and, as a result the Council has determined the bulk and mass of the hotel must be less than 1.6.

The Council has determined that the site presents hardship conditions that are not the result of actions by the applicant. Rather, as a consequence of the inadvisability of ingress/egress to the site from the highway, and the city's desire to protect the Trail Creek floodplain and riparian areas, as well as the steep drop-off of the site terrain from River Street to Trail Creek, waivers for the following dimensional standards are warranted: minimum lot size, side setbacks, and height/four story requirements. Also warranted is permitting a FAR of 1.57 given the presence of on-site employee housing, which the Blaine County Housing Authority (BCHA) has noted for this project is a preferred solution for providing employee housing.

Financial Impact

Approximately \$107,691 in Planning Permit fees have been paid to date and an additional DR application fee of approximately \$42,003 is anticipated in FY20. The projected FY20 Building Permit fee is estimated to be approximately \$581,405. Future local option tax and tax increment increases are also anticipated.

Attachments

A – Staff Analysis.

See Attachments 1-10 from 10/7/19 and 12/2/19 KCC staff report

B – PEG Ketchum Hotel, LLC Gateway Submittal Drawings, Narratives & Studies.

See List from 10/7/19 and 12/2/19 KCC staff report, as well as the following list of:

1/21/20 Ketchum Tribute design update - Please use following link:

https://ketchumidaho.org/sites/default/files/fileattachments/planning_amp_building/project/37921/2020-0121- ketchum_hotel - progress_submittal.pdf

- Top Ten – Project Updates
- Waiver Supporting Exhibits (15 Sheets)
 - Waiver 1 – Minimum Lot Size for PUD
 - Waiver 2 – FAR = 1.57
 - Before & After – Building Mass Revision
 - Waiver 3 – Average Setbacks
 - Front = 15’
 - West Side = 17.5’ (avg), 12’ at closest point to property line
 - East Side = 31.3’ (avg), +/- 20’ at closest point to SH75 property line
 - Rear = > 35’ from Trail Creek
 - Waiver 4 – Height / Contextual Elevations
- River Street Entry Plaza (4 Sheets)
 - Option 1 with Rendering
 - Option 2
- SH-75 Service Access Study (2 Sheets)
- Sustainability Integration (4 Sheets)
 - Building Systems / Geothermal
 - High Performance Building & Site
 - Material & Product Sustainability Assessment
- Updated Site & Floor Plans (16 Sheets)
 - Landscape Plan
 - Building Perimeter Before / After
 - Level -03, -02, -01 Floor Plans (Below River Street)
 - Level 01, 02, 03, 04 Floor Plans
- Project Perspectives
 - NE, NW, N, NE, SE, SW
- Employee Housing Plans (6 sheets)
 - 12 one-bedroom studios (2 different designs) – 12 employees housed
 - 2 two-bedroom suites (1 design) – 4 employees housed
 - 1 four-bedroom suite (1 design) – 7 employees housed
- Setback Analysis
 - 5 Sections
- River Street Encroachment (2 Sheets)
- Architectural Site Plan (5 Sheets)
 - Contextual
 - E, N, W, S

C - City department, agency & peer review letters/memos

D - Public comment – please use following links:

- All public comment to P&Z (from 7/15 to 9/11):

https://ketchumidaho.org/sites/default/files/fileattachments/planning_amp_building/project/37921/all_comments_received_by_pz_7.15.19_to_9.11.19.pdf

- All public comment to council (from 8/5 to present):
<https://ketchumidaho.org/citycouncil/page/ketchum-boutique-hotel>

E – Signed Planning & Zoning Commission Findings

See List / Attachments E.1 thru E.5 from 10/7/19 KCC staff report, as well as the following:

1/21/20 updated draft findings

- **Attachment E.2.A** – *draft* Preliminary Plat Findings of Fact, Conclusions of Law, Order of Decision of the Ketchum City Council for the PEG Ketchum Hotel
- **Attachment E.4.A** – *draft* Planned Unit Development Conditional Use Permit and CUP Findings of Fact, Conclusions of Law, Order of Decision of the Ketchum City Council for the PEG Ketchum Hotel