MEMORANDUM

TO:	Planning and Zoning Commission
FROM:	Morgan Landers, AICP – Consulting Planner
DATE:	August 6, 2026
RE:	Priority Code Updates – Ordinance 1279

INTRODUCTION

As part of the Installment 1 Code Update process initiated in Fall 2025, a joint work session was held with the City Council and Planning and Zoning Commission on May 4, 2026, to review recommended changes to the city's land use regulations based on the city's adopted 2025 Comprehensive Plan (the "plan"), stakeholder feedback, and research and analysis conducted by city staff and the consultant team. At the May 4, 2026 meeting, the City Council and PZ Commission identified certain priority code changes to be adopted earlier than the overall Installment 1 Code Updates. These changes included:

- Reduction of the building height allowed in the Mountain Overlay District and residential neighborhoods
- Prohibition of 5th floors for all buildings in downtown
- Only allowing 4th floors in downtown if the development contains 100% community housing, or if the building is on a sloped lot that slopes away from the street
- Requirement for a minimum of a 10 ft setback for any floor above the second floor of a building
- Changes to the Community Housing Incentive program

Following that direction, staff began preparing a draft ordinance reflecting the changes noted above. Two additional discussions with City Council, led by the Housing Department, were held focusing specifically on the city's Community Housing Incentive program. During the review of the building height reductions, staff noted that single-family residences were a permitted use in the T zone districts and did not believe allowing single-family residences to be constructed to 35 ft in these zone districts was in alignment with the community vision outlined in the plan. In addition to addressing overall building height in the T zones based on floor area ratios (FAR), staff recommended changes to the permitted uses in the T zone districts as further described below.

The final draft ordinance, included as Attachment A, is the result of these discussions and staff analysis. The draft ordinance was made available to the public on July 8, 2026, and notice of the public hearing was published in the paper and posted in three physical locations on July 15, 2026. Following publication, a meeting with the Technical Advisory Group (TAG) was held to review these changes as well as changes proposed in the full Installment 1 code update. The TAG provided very valuable feedback on the draft ordinance which is outlined below in each section.

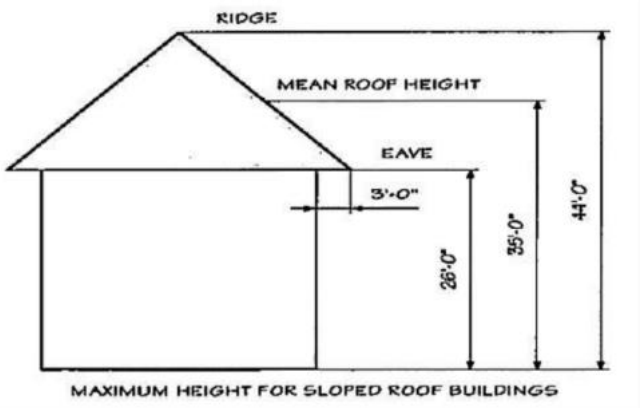
Based on that feedback and additional staff research, the following memorandum provides some recommended changes to the ordinance for consideration by the Commission. The draft ordinance and the proposed changes are consistent with the plan; therefore, staff recommends the Commission review the information, conduct the public hearing, and recommend approval of the proposed changes to the City Council.

RESIDENTIAL BUILDING HEIGHT

The draft ordinance proposes changes to the overall maximum building height in certain zone districts, the roof pitch incentive in certain zone districts, and the building height definition. The sections below provide an overview of the changes proposed in each, feedback received by the TAG on the changes, and further revisions for consideration by the Commission.

Building Height Reduction - The comprehensive plan states that recommended heights in the Low and Medium Density areas are “up to two stories” where High Density areas are “up to three stories”. To align the zoning ordinance with the plan, the draft reduces building heights in the LR, LR-1, LR-2, GR-L, and all STO zone districts to 27 ft and reduces the building heights in the T, T-3000, and T-4000 zone districts to 27 ft for developments less than .5 FAR. This reduction would also apply to all properties in the Mountain Overlay District. In all of these zone districts, the current maximum building height is 35 ft. The building height in the GR-H zone district was not amended in the draft, but this was an error. Staff recommends the GR-H building height be revised to limit developments less than .5 FAR to 27 ft as with the T zone districts. Based on a broad review of building heights within residential neighborhoods, staff believe that a 27 ft height maximum is contextually appropriate and generally aligns with two story design and construction. Developments above .5 FAR in the GR-H, T, T-3000, and T-4000 zone districts are permitted to go to 35 ft in height. These developments trigger the city’s Community Housing Incentive program. By allowing additional height for larger multi-family developments, the city continues to encourage use of the program to generate community housing.

Roof Pitch Incentive - The current code allows buildings in the T, T-3000, T-4000, and GR-H zone districts to extend up to 44ft if the roof pitch is greater than 5:12. See the image below for a graphic of how this is calculated. The purpose of this provision is to encourage the use of pitched roofs in higher density multi-family developments. Reflecting on current architectural trends, the common roof forms seen in new developments are flat roofs. Therefore, the draft ordinance reduces the applicable roof pitch to 3:12 and reduces the total height increase to three feet above the maximum building height per the zone district. This provision, in conjunction with a reduction in maximum building height will encourage the use of varied roof forms.



Building Height Definition - The draft ordinance also amends the building height definition to remove the 5ft height bonus, and required facade setback of 50%, for developments that step up hillsides and removes a section of the overall definition related to a secondary measurement of points not in vertical alignment. The goal of this revision was to further restrict heights in the Mountain Overlay and to simplify how building height is calculated.

TAG Feedback - The TAG provided two points of feedback regarding these changes:

- The City of Sun Valley has a good model for the regulation of building height in the residential zone districts that should be considered
- Reducing the height to 27 ft doesn't get rid of the boxy architecture that the community is concerned about as it favors flat roofs over pitched roofs due to property owners trying to maximize views

- The reduction in height will be challenging on sloped lots or avalanche constrained lots. The city should continue to provide some sort of bonus for buildings that step up hillsides as stepping into hillsides reduces the perceived mass of structures

In addition to the TAG feedback, staff have consistently struggled with the administration of the building height calculation due to the complexity of the definition, duplication of standards, and nuances with verbiage that have resulted in different interpretations over the years.

Recommended Revisions - Staff took a fresh look at the building height definition with the overall goal of simplifying the definition and encouraging the use of varied roof forms, specifically pitched roofs. Staff also compared Ketchum's definition with the City of Bellevue, City of Sun Valley, and City of Hailey to understand how the jurisdictions differ. Based on this analysis, staff recommends the building height definition be replaced with the following definition:

> *"Building Height shall be the greatest vertical distance measured at the lowest point of natural, existing or lowest exposed finished grade along the building foundation perimeter to the highest point of the roof regardless of vertical alignment."*

Staff believe this definition ensures that the full extent of a building is taken into consideration from the lowest exposed point of the structure, to the highest. In addition, staff recommends that the city retain some type of height bonus allowance in zone districts for buildings restricted to 27 ft. This height bonus could be the pitched roof incentive included in the draft ordinance, or the City of Sun Valley model which allows for a portion of the structure to go above the maximum height limit. Staff believe that either approach could be effective in furthering the promotion of varied roof forms but would encourage the more simplified approach of Sun Valley. The roof pitch incentive has not regularly been utilized to date. Staff have concern about consistent application and anticipate confusion among property owners and applicants as to how it is applied. Staff recommend a footnote be added to the Lot and Building Standards tables in all residential zone districts, and for developments in the GR-H, T, T-3000, and T-4000 less than .5 FAR as follows:

> *"One-third (1/3) of a building's or structure's total roof area may exceed maximum building height by five feet. Setbacks shall be calculated based on the total building height."*

PERMITTED USES AND NONCONFORMITIES

The plan outlines recommended uses by land use category, generally corresponding with the city's zoning districts. Currently, the city regulations allow the development of single-family residences in the GR-H zone district, and all of the Tourist zone districts (T, T-3000, and T-4000). However, most of the areas zoned GR-H, T, T-3000, and T-4000 are designated as either "Medium Density Residential" or "High Density Residential". Single family residences are only recommended in areas designated as Medium Density Residential in the plan. The plan also notes that although there are existing single-family residences in High Density Residential areas, multi-family residential would be required moving forward.

During the consolidation of the land use regulations, staff initially proposed removing single family residences as a permitted use in the GR-H, T, T-3000, and T-4000 zone districts. However, as the comprehensive plan discussions related to land uses evolved, this change was deferred to future code changes following adoption of the plan. The "Table of Permitted Uses" in the adopted consolidated land development code inadvertently left out the "P" in the GR-H zone district but included it for the T, T-300, and T-4000 zone districts.

To align the plan with the zoning regulations, the draft ordinance includes a change to the Table of Permitted Uses for the T, T-3000, and T-4000 zone districts to remove "dwelling, one-family" as a permitted use and leaves the GR-H zone district as is, with no single-family residences permitted.

The TAG recommended the city analyze the lots within each zone to ensure that the regulation doesn't create a scenario where multi-family development is required on lots that are not large enough to accommodate it. In addition, because the city's zoning map has not been amended to perfectly align with the Future Land Use Map (FLUM), staff also wanted to understand if there are any lots in these zone districts designated as Low or Medium Density Residential, which recommends single-family as a permitted use. Staff conducted additional analysis of the T, T-3000, and T-4000. No additional analysis was conducted on GR-H as the zone district aligns perfectly to the High Density Residential Designation and there are no existing single-family residences in the district.

Staff analyzed the following:

- Total number of lots, total number of single-family lots, and total number of vacant lots in each zone district

- Total number of lots in each zone district designated as Low Density or Medium Density Residential
- Of the single family and vacant lots, number of lots less than 5,000 SF and number of lots between 5,000 and 8,000 SF

Zone	Total Lots	Lots in LDR FLU	Lots in MDR FLU
T	248	4	5
T-3000	60	0	0
T-4000	18	0	14

As shown in the table above, the T and T-3000 zone districts have none, or very little Low and Medium Density designated properties. However, T-4000 is largely designated in the comprehensive plan as Medium Density Residential. As such, staff recommend that the draft ordinance be revised to allow for single-family residences in the T-4000 zone district with no restrictions.

Regarding lot sizes, the minimum lot size required in the T and T-3000 zone districts is 8,000 SF and multi-family is permitted. Therefore, at a minimum, any lot over 8,000 SF would be suitable for multi-family development. Of the 248 lots in the T zone, only one lot is below 5,000 SF and eight are between 5,000 and 8,000 SF. Of the 60 lots in the T-3000 zone, none are below 5,000 SF and one is between 5,000 and 8,000 SF. Therefore, the majority of the lots within these zone districts are suitable for multi-family development.

The comprehensive plan states that "Future zoning changes will not deem existing properties non-conforming". However, the draft ordinance did not address this protection for existing single-family residences. In further review of the draft with the consultants, it is recommended that the Table of Permitted Uses show "P" for "dwellings, one-family" but with use specific standards added into Section 16.03.030.A.1.b. The following provisions would be added after b.2:

3. Legacy Single-Family Dwellings in T and T-3000

(A) Permitted Status. Except as described in b.2 above, a single-family dwelling lawfully established in the T, T-3000, or T-4000 District prior to [effective date] remains a permitted use on that lot, notwithstanding removal of single-family dwellings from the Table of Permitted Uses for these Districts. The dwelling shall not be considered a nonconforming use or structure for purposes of §16.01.050, Nonconformities.

(B) Restoration After Involuntary Destruction. If a dwelling described in paragraph 1. is unwilfully destroyed through natural or human-caused calamity, the permitted

status described in paragraph 1. continues, and the dwelling may be rebuilt as a single-family dwelling, subject to the timing and permit requirements of §16.01.050.C.3, Restoration.

(C) Termination Upon Voluntary Demolition. If a dwelling described in paragraph 1. is voluntarily demolished or removed by the owner, the permitted status described in paragraph 1. terminates, and any subsequent development on the lot shall conform to the uses permitted in the Table of Permitted Uses for the District at the time of redevelopment.

The TAG requested clarification as to how vacant properties would be treated with this change. As the purpose of the ordinance is to align the zoning with the comprehensive plan, the ordinance is written to only provide protection for existing single-family residences, not vacant property. Staff do not recommend providing flexibility for vacant lots as it is not determined or guaranteed when the redevelopment of those lots will occur.

DOWNTOWN (CC-1 and CC-2)

The plan notes that the Retail Core (CC-1) of the downtown "is intended to feel separate and distinct from the Community Mixed Use area with a lower scale of development that maintains the open air feel of the streets, and the ability to see Bald Mountain, Dollar, and other surrounding natural features". The full Installment I Code Update addresses this objective more comprehensively. However, the draft ordinance takes a step toward aligning the regulations with the plan through proposed changes to FAR, third floor setbacks, and building height. Below is a high level review of proposed changes in each subdistrict of the downtown. In addition to the changes outlined below, the draft ordinance also added a definition of "Floor" for clarity.

Retail Core (CC-1)

- Changed the allowed FAR range from a base FAR of 1.0 and max FAR of 2.25 to a base FAR of 1.2 and a max FAR of 2.0
- Required a 10ft setback of third floors from the second-floor facade
- Eliminated the allowance of 4th and 5th floors for any development

Mixed-Use (CC-2)

- No changes to FAR
- Required a 10ft setback of third and fourth floors from the lower floor facade
- Eliminated the allowance of 5th floors for any development

- Restricted the allowance of 4th floors to only 100% community housing developments or developments on lots that slope away from the street

The TAG provided feedback on these proposed changes noting that the increase to the base FAR in the Retail Core was positive, but the decrease in the max was problematic if the minimum residential density requirements remain unchanged. The TAG also expressed concern in measuring the 10 ft setback from the lower facade rather than the property line. The reason being that measuring from the lower facade discourages the inclusion of recesses and undulation in the building as property owners will want to preserve as much rooftop real estate as possible for amenity space. The TAG also discussed whether there was a real visual difference in four story buildings that slope away from lots versus buildings that slope toward lots. Staff believe that measuring the 10 ft setback from the property line does not achieve the desired affect of minimizing the visibility of rooftop appurtenances. Staff also believe that buildings that slope away from the street to an alley are less imposing on the built environment than buildings that slope toward the street, particular with wider street rights-of-way.

Comments were also received regarding the feasibility of the 10 ft setback in meeting the city's current aerial fire apparatus access requirements. Staff met with the Fire Department to discuss the concern. There is flexibility in the Fire Code for potential concessions when aerial apparatus is limited, and each development will need to be evaluated on a case-by-case basis.

COMMUNITY HOUSING INCENTIVE

The Community Housing Incentive Program (often referred to as the density bonus program) is integrally related to the city's land use regulations in the downtown but also applies to developments in the GR-H, T, T-3000, and T-4000 zone districts. The incentive regulations outline the base and maximum Floor Area Ratio (FAR) for each zone district, how the community housing incentive is calculated, and other requirements such as income targets and process for approval. Concurrently with the Installment 1 review of FAR in the downtown, the Housing Department worked with City Council to refine the Community Housing Incentive Program elements not related to FAR. Due to the extent of the revisions and the reorganization of information, the draft ordinance proposes a full repeal and replace of this code section.

The new code section includes the following to the Community Housing Incentive Program:

- CC-1 FAR
    - Base increased from 1.0 to 1.2
    - Maximum reduced from 2.25 to 2.0
- No changes to FAR for CC-2, GR-H, T, T-3000, and T-4000
- Community Housing Calculation is based on only gross floor area, no 15% reduction to net livable
- Community Housing contribution increased from 20% to 30% for a lot or lots greater than 10,000 square feet
- In-lieu fee per square foot is determined at the time of Final Design Review application, not Pre-Application Design Review
- Clarification of Approval Process and what is outright vs. Discretionary

As outlined in the draft, in-lieu or on-site community housing contributions are outright and approval is administrative. If a development proposes to provide community housing in any other form, the request is discretionary and subject to City Council approval. In further discussions between the Planning Department and Housing Department, the process steps of when those approvals occur and what that approval is needs to be further clarified in relation to Design Review approvals.

For purposes of the ordinance, "approval" of a community housing contribution is the approval and execution of a FAR Exceedance Agreement. Contrary to the draft ordinance, outright approvals should occur following Design Review approval, not before the Design Review hearing. For discretionary approvals, the ordinance states the City Council shall review and act on the request prior to the Design Review hearing. This action may be approval, approval with conditions, or denial of the request. Staff recommends adding a clarification in this section that if City Council approves or conditionally approves the request, a FAR Exceedance Agreement must be executed following the Design Review approval. Alternatively, the City Council could conditionally approve the FAR Exceedance Agreement at the time of decision contingent upon Design Review approval.

FINANCIAL FEASIBILITY

Throughout the Installment 1 process, the consultant team has been testing the draft ordinance options for financial feasibility based on standard financial modeling assumptions for real estate development. The variables for FAR, third floor setbacks, percent of community housing, and others were tested repeatedly to determine the tipping point where developments are feasible or infeasible. The goal of the analysis was not to create regulations where all developments are feasible. However, to receive public benefits from new developments such as community housing, affordable commercial, and public spaces, some development needs to occur. The financial feasibility testing of the

regulations is summarized in Attachment B. The attachment includes an overview of the model and assumptions, various scenarios that were tested, and conclusions/recommendations.

In general, development in Ketchum continues to be extremely costly and difficult with high-end luxury penthouses subsidizing the rest of the project. This continues to make it difficult to push for density increases, increases in the amount of community housing, and affordable commercial space. More detailed discussions on this topic will be had with the overall Installment 1 presentation on August 20th, however, here are high level take-aways for items related to the priority code updates:

- Requiring a 10 ft setback on the third floor of buildings is generally supportable, however, more than 10 feet makes it more difficult to achieve community housing and minimum residential densities.
- Requiring 30% community housing on lots greater than 10,000 SF is generally not supportable
- Increasing the base FAR in the Retail Core (CC-1) to 1.2 will encourage the development of smaller buildings and is generally more feasible than a base FAR of 1.0

The TAG provided significant feedback on the financial feasibility of the code changes noting a primary concern that the 10% hurdle rate or "Target" was substantially lower than any development would tolerate and therefore none of the development scenarios tested in the feasibility analysis are supportable. The TAG strongly encourages the Commission and Council to take financial feasibility seriously in this exercise as creating regulations that do not "pencil" is not good for the economy of the community.

Staff agrees with the TAG that financial feasibility should be a consideration. Additionally, the financial model creates a base case that then tests changes in the regulations to determine if a regulation greatly changes the target. This is more of a sensitivity analysis rather than a full financial feasibility analysis of likely development. The reason being that financial return requirements/motivations vary greatly in Ketchum where the development model would suggest the development is not feasible, but somehow the project is still constructed. This makes the design of regulations based on financial feasibility alone, almost impossible.

The draft ordinance is only a piece of the full regulatory puzzle that influences development in the downtown. In the full Installment 1 Code Update, there are additional revisions to minimum residential densities and other dimensional limitations that seek to balance the impacts of regulations on future developments more holistically.

STAFF RECOMMENDATION

As outlined in the report above, the draft ordinance is a good foundation for the proposed changes. However, further revisions are necessary to clarify the regulations and ensure the city's goals are achieved. Staff recommends the Planning and Zoning Commission make a recommendation of adoption of the draft ordinance to City Council with the following revisions:

- Revised building height for GR-H to be 27 ft for developments less than 0.5 FAR
- New Building Height Definition as proposed above
- New height bonus for portions of the building as proposed above
- Amend the Table of Permitted Uses to list "dwellings, one-family" as P in T, T-3000, and T-4000 with use restrictions for T and T-3000 zone districts as proposed above
- Revise the community housing incentive to clarify the outright approval process to be after Design Review not before, and add an FAR Exceedance Agreement step in discretionary approvals

If the Planning and Zoning Commission is supportive of the revisions, and makes a positive recommendation, staff will prepare a revised draft ordinance and notice the ordinance for public hearing with the City Council.

ATTACHMENTS

A. Draft Ordinance 1279
B. Financial Feasibility Memo

ORDINANCE 1279

AN ORDINANCE OF THE CITY OF KETCHUM, BLAINE COUNTY, IDAHO, TO AMEND KETCHUM MUNICIPAL CODE TITLE 16 – LAND DEVELOPMENT CODE REGARDING THE BUILDING HEIGHT MAXIMUMS FOR RESIDENTIAL AND MIXED USE ZONE DISTRICTS, SETBACK REQUIREMENTS FOR THREE AND FOUR STORY BUILDINGS IN SUBDISTRICTS 1 AND 2 OF THE COMMUNITY CORE ZONE DISTRICT, AMENDMENTS TO THE COMMUNITY HOUSING INCENTIVE REGULATIONS, REDUCTION OF HEIGHT MAXIMUMS FOR HOTELS, AND AMENDMENTS AND ADDITIONS TO DEFINITIONS; PROVIDING FOR PUBLICATION BY SUMMARY; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Idaho Code Section 67-6524 authorizes local jurisdictions to enact interim ordinances, effective up to one (1) year, during the pendency of preparation and adoption of a permanent ordinance; and

WHEREAS, the City of Ketchum adopted an update to its comprehensive plan on September 11, 2026, which included a new Future Land Use Map and Future Land Use Categories outlining the existing conditions and future intent for each land use category; and

WHEREAS, the revised land use categories and future intent statements, along with action steps outlined in Chapter V – Implementation, noted a variety of changes to the zoning regulations necessary to align future development with the city's vision; and

WHEREAS, the City of Ketchum initiated an update to the city's zoning regulations, also known as the Land Development Code, in Fall 2025 outlining a three phased process; and

WHEREAS, on January 22, 2026, a joint meeting between the City Council and Planning and Zoning Commission was held to review potential changes to regulations specific to downtown, citywide parking, the mountain overlay district, and non-conforming buildings and structures. The Council and Commission provided preliminary feedback to staff and directed staff to continue the amendment process; and

WHEREAS, following continued research and analysis, and meetings with the city's Technical Advisory Group (TAG), a joint meeting between the City Council and Planning and Zoning Commission was held on May 4, 2026, to review further recommendations. The Council and Commission provided further feedback and requested staff prioritize a short list of changes that could be adopted more quickly than the larger code update to demonstrate progress to the community; and

WHEREAS, as requested by the Council and Commission, staff conducted additional research and drafted an ordinance to change the city's land development code in regard to building heights in residential neighborhoods and the mountain overlay district, step-backs and building height in the downtown, and revisions to the city's Community Housing Incentive program; and

WHEREAS, the draft regulations were made available to the public on _____ and community feedback was solicited. The public hearing schedule was published well in advance of the hearings with encouragement of the community to attend and provide feedback on the proposed changes; and

WHEREAS, the Planning and Zoning Commission held a public hearing on _____, to review this ordinance, as prepared by staff; and

WHEREAS, the Planning and Zoning Commission found that XXXXX

WHEREAS, the Planning and Zoning Commission recommended _____ of this ordinance at a regular meeting on _____; and

WHEREAS, the City Council held a public hearing on _____ to review Ordinance 1279, information from staff, and recommendations from the Planning and Zoning Commission; and

WHEREAS, the City Council held the first reading of Ordinance 1279 on _____; and

WHEREAS, The City Council held second and third readings of Ordinance 1279 on _____ resulting in approval of this ordinance; and

WHEREAS, the Planning and Zoning Commission hearings and 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, IDAHO:

SECTION 1. AMENDMENTS TO SECTION 16.02.020. RESIDENTIAL DISTRICTS

A. LR: Limited Residential District

The Table contained in subsection **A.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" from 35 ft to 27 ft, retaining footnote 1.

B. LR-1: Limited Residential – One Acre District

The Table contained in subsection **B.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" from 35 ft to 27 ft, retaining footnote 1.

C. LR-2: Limited Residential – Two Acre District

The Table contained in subsection **C.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" from 35 ft to 27 ft, retaining footnote 1.

D. *GR-L: General Residential – Low-Density District*

The Table contained in subsection **D.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" from 35 ft to 27 ft, retaining footnote 1.

E. *STO-.4: Short-Term Occupancy – 0.4 Acre District*

The Table contained in subsection **F.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" from 35 ft to 27 ft, retaining footnote 1.

F. *STO-1: Short-Term Occupancy – One Acre District*

The Table contained in subsection **G.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" from 35 ft to 27 ft, retaining footnote 1.

G. *STO-H: Short Term Occupancy – High-Density District*

The Table contained in subsection **H.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" from 35 ft to 27 ft, retaining footnote 1.

SECTION 2. AMENDMENTS TO SECTION 16.02.040. MIXED-USE DISTRICTS

A. *T: Tourist District*

The Table contained in subsection **A.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" to read:

<0.5 FAR – 27 ft (2)(3)

>0.5 FAR – 35 ft (2)(3)

The Table contained in subsection **A.2 Lot and Building Standards** shall be amended to change Footnote 2 under "Notes" as follows:

For a building with a roof pitch greater than 3~~5~~:12, the maximum height to the mean point of the ridge or ridges measured from eaves line to the ridge top shall be the maximum height per this table~~35 ft~~. Roof ridges above the mean point may extend up to ~~a height of 44 ft~~ three feet above the maximum height per this table.

B. *T-3000: Tourist – 3000 District*

The Table contained in subsection **B.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" to read:

<0.5 FAR – 27 ft (1)(2)

>0.5 FAR – 35 ft (1)(2)

The Table contained in subsection **B.2 Lot and Building Standards** shall be amended to change Footnote 1 under "Notes" as follows:

For a building with a roof pitch greater than 3~~5~~:12, the maximum height to the mean point of the ridge or ridges measured from eaves line to the ridge top shall be ~~35 ft~~the maximum height per this table. Roof ridges above the mean point may extend up to ~~a height of 44 ft.~~ three feet above the maximum height per this table.

C. T-4000: Tourist – 4000 District

The Table contained in subsection **C.2. Lot and Building Standards** shall be amended to change "E – Maximum Building Height" to read:

<0.5 FAR – 27 ft (1)(2)

>0.5 FAR – 35 ft (1)(2)

The Table contained in subsection **C.2 Lot and Building Standards** shall be amended to change Footnote 1 under "Notes" as follows:

For a building with a roof pitch greater than 3~~5~~:12, the maximum height to the mean point of the ridge or ridges measured from eaves line to the ridge top shall be ~~35 ft~~the maximum height per this table. Roof ridges above the mean point may extend up to three feet above the maximum height per this table~~a height of 44 ft~~.

D. CC: Community Core District

The Table contained in subsection **D.2 Lot and Building Standards – Subdistrict 1 Retail Core** shall be amended as follows:

Lot Standards		
A	Minimum Lot Size	5,500 sf
	Minimum Lot Width	55 ft average
Setbacks (Minimum)		
B	Front and street side	0 ft
	3rd Floor front and street side	10 ft from 2nd floor building facade
	Adjacent to alleyways	3 ft
C	Rear side not adjacent to an alleyway	0 ft
D	Interior Side[1]	
	Cantilevered decks and overhangs	
	~~Setback for 5th floors~~	~~20 ft from street sides and frontage and 10 ft on all other sides~~
	~~Setback for 4th floors (except for community housing projects [2])~~	10 ft

	Non-habitable structures, permanently affixed deck amenities, solar panels visible above roof ridge or parapet, and mechanical equipment and screening affixed to a roof from all building facades at the top floor for all projects ~~(except for community housing projects [2])~~	
	Perimeter walls enclosing roof decks	0 ft provided the perimeter wall is 75% transparent and does not exceed 4 ft in height
	~~Setback for 4th floor habitable and uninhabitable portions of the building, fixed amenities, solar and mechanical equipment for community housing projects [2]~~	~~An average 10 feet setback from the ground floor building facade~~
Lot Coverage		
	Maximum FAR	See §16.02.070.A
Height (Maximum)		
E	Building Height	42 ft~~, unless otherwise allowed in this Code~~
	Cantilevered decks and overhangs	8 ft above grade and/or walking Surface
	~~Height of buildings for community housing projects [2]~~	~~52 ft~~
	~~Hotels [3]~~	~~68 ft~~
	Non-habitable structures located on building rooftops	10 ft above roof ridge or parapet
	Perimeter walls enclosing roof top deck and structures	4 ft above roof surface height. Perimeter roof top walls are required to be at least 75% transparent.
	Roof top solar and mechanical equipment and associated screening above roof surface	5 ft

Overlay Districts	16.02.060
Measurements and Exceptions	16.02.070
Table of Permitted Uses	Table 16-7
Accessory Buildings and Uses	16.03.040.A
Off-Street Parking	Table 16-13
Landscaping, Buffering, and Screening	16.04.060

Notes

[1] All side lot lines shall run perpendicular to the alley and/or avenue.

~~[2] A project in the Community Core Subdistrict 1 that provides 100 percent community housing above the first floor and complies with the ground floor street frontage uses of the subdistrict, shall be considered a 100 percent community housing project.~~

~~[3] See §16.03.030.C.4.~~

The Table contained in subsection **D.3 Lot and Building Standards – Subdistrict 2 Mixed Use** shall be amended as follows:

Lot Standards		
A	Minimum Lot Size	5,500 sf

	Minimum Lot Width	55 ft average
Setbacks (Minimum)		
B	Front and street side	5 ft average[1]
	3rd Floor front and street side	10 ft from 2nd floor building facade
	4th Floor front and street side[5]	10 ft from 3rd floor building facade
	Adjacent to alleyways	3 ft
C	Rear side not adjacent to an alleyway	0 ft
D	Interior Side[2]	
	Cantilevered decks and overhangs	
	~~Setback for 5th floors~~	~~20 ft from street sides and frontage and 10 ft on all other sides~~
	~~Setback for~~ 4th floor~~s (except for community housing projects[3])~~ side and rear[5]	
	Non-habitable structures, permanently affixed deck amenities, solar panels visible above roof ridge or parapet, and mechanical equipment and screening affixed to a roof from all building facades at the top floor ~~for all projects (except for community housing projects[3])~~	10 ft from 3rd floor building façade 10 ft
	Perimeter walls enclosing roof decks	0 ft provided the perimeter wall is 75% transparent and does not exceed 5 ft in height
	~~Setback for 4th floor habitable and uninhabitable portions of the building, fixed amenities, solar and mechanical equipment for community housing projects[3]~~	~~An average 10 feet setback from the ground floor building facade~~
Lot Coverage		
	Maximum FAR	See §16.02.070.A
Height (Maximum)		
E	Building Height	42 ft, unless otherwise allowed in this Code
	Cantilevered decks and overhangs	8 ft above grade and/or walking surface
	~~Height of buildings devoted 100% towards community housing~~Community Housing Developments [3]	52 ft
	~~Hotels[4]~~	~~68 ft~~
	Non-habitable structures located on building rooftops	10 ft above roof ridge or parapet
	Perimeter walls enclosing roof top deck and structures	4 ft above roof surface height. Perimeter roof top walls are required to be at least 75% transparent.
	Roof top solar and mechanical equipment above roof surface	5 ft

Other Standards	Section
Overlay Districts	16.02.060

Measurements and Exceptions	16.02.070
Table of Permitted Uses	Table 16-7
Accessory Buildings and Uses	16.03.040.A
Off-Street Parking	Table 16-13
Landscaping, Buffering, and Screening	16.04.060

Notes:

[1] The average shall be calculated individually at all floors and shall be measured from edge of building façade to edge of building façade. For corner lots, areas cannot be counted on both sides.

[2] All side lot lines shall run perpendicular to the alley and/or avenue.

[3]A project in the Community Core Subdistrict 2 that provides 100 percent community housing above the first floor and complies with the ground floor street frontage uses of the subdistrict, shall be considered a 100 percent community housing project.

[4]See §16.03.030.C.4.

[5] 4th floors shall only be permitted for 100 percent community housing developments and developments on sloped lots that slope away from streets.

SECTION 3. REPEAL AND REPLACE SECTION 16.02.080.B. COMMUNITY HOUSING INCENTIVE

Section 16.02.080.B shall be repeal entirely and replaced with the following:

A. Community Housing Incentive

1. General Requirements

All new buildings and alterations to existing buildings in the GR-H, T, T-3000, T-4000, and CC districts, unless otherwise specified in this Code, shall be subject to the maximum floor area ratio (FAR) described below.

Table 16-1: Maximum Permitted Gross FAR

Districts	Permitted Gross FAR	Community Housing Incentive FAR
GR-H	0.5	1.4
T	0.5	1.6
T-3000	0.5	1.6
T-4000	0.5	1.6
CC-1	1.2	2.0
CC-2	1.0	2.25

2. Community Housing Incentive

a. Purpose

The City limits a permitted gross FAR in zoning districts for the public purpose of limiting the public impacts associated with increased development. The purpose

of this section is to establish a higher allowable FAR in certain districts for the offsetting public purpose of incentivizing new development to support restricted, affordable and resident-occupied community housing, to help meet the demand and needs for housing of the community. Land within the zoning districts specified in the table above may be built to the listed permitted gross FAR. As an incentive to build or contribute to community housing and offset the impacts of increased development, floor area may be increased up to the community housing incentive FAR listed in the table, provided conditions in this Section are met.

b. Zone-specific Standards

In CC-2, 100% community housing developments are permitted to exceed the 2.25 FAR maximum and do not have a maximum FAR limitation provided that all other lot and building standards are complied with.

c. Conditions for Increased FAR
An increased FAR, up to the Community Housing Incentive FAR for the zone, will be permitted provided that the following conditions are met:

(1) The project has received Design Review approval from the Planning and Zoning Commission or City Council, as applicable.

(2) A minimum of 20 percent of the total increase in gross floor area above the permitted gross FAR is provided as community housing per the Options for Fulfillment in §16.02.080.B.1.d.

(3) A minimum of 30 percent of the total increase in gross floor area above the permitted gross FAR shall be provided as community housing on lots exceeding 10,000 square feet.

(4) The community housing shall be targeted for income category 4 (80 percent to 100 percent of area median income, as determined by the City). The applicant may alternately propose units targeted to income categories 5 (100 to 120 percent of area median income) or 6 (120 to 140 percent of area median income), subject to City Council review and approval.

(5) All community housing shall be restricted with the deed restriction currently in use by the City of Ketchum, unless otherwise approved by the City Council for an alternative proposal.

(6) All community housing units shall be administered by the City of Ketchum or its designated administrator, unless otherwise determined by the City Council.

(7) Community housing shall meet the requirements of adopted housing policy documents in use by the City of Ketchum or its housing program administrator.

d. Options for Fulfillment of Community Housing Contribution

(1) The following options for fulfillment of the community housing incentive are available to the applicant outright if the applicant meets all standards and

conditions of this Section. Outright options meeting all standards and conditions shall be reviewed and approved administratively.

(A) Housing constructed by the applicant on-site;

(B) Payment of an in-lieu fee;

(C) Combination of 1 and 2.

(2) In addition to those outright options, the City Council may consider alternative proposals by the applicant to fulfill the community housing incentive, subject to the process described in §16.02.080.B.1.f. Alternative options for fulfillment of the community housing incentive may include, but are not limited to:

(A) Land conveyance to the City;

(B) Construction or acquisition of housing off-site,

(C) Other proposals and options as approved by the City Council.

e. Fee In Lieu

Community housing requirements may be paid via a fee in lieu of housing. The required community housing square footage multiplied by the fee equals the amount due to the City.

(1) The fee in lieu shall be recommended by Ketchum Housing Department on an annual basis and adopted by the City Council.

(2) The fee in lieu per square foot shall be as described in the adopted City fee schedule at the time that the final Design Review application is deemed complete and all application fees have been paid.

f. Review Process

(1) An application proposing a community housing contribution using one of the outright methods and meeting all standards and conditions not requiring City Council review shall be reviewed and approved administratively prior to the hearing for the Design Review for the application.

(2) An application proposing either 1) an alternative option for fulfillment of the community housing contribution or 2) an alternative standard or condition, including an alternative income category, shall be reviewed and acted on by the City Council at a public meeting prior to the Design Review hearing for the application.

(A) The City Council shall approve, approve with conditions, or deny the requested alternative.

(B) If the City Council denies an alternative proposal, the applicant shall satisfy the community housing contribution through an outright option meeting all standards and conditions not requiring City Council review.

(3) In review of alternative proposals and discretionary options, the Council will consider the following criteria.

(A) The proposal is consistent with the goals and objectives of the City of Ketchum Comprehensive Plan, Housing Action Plan, and other current, adopted policy documents. The proposal provides a type of community housing prioritized by current City policy and consistent with the City's identified community housing needs.

(B) The proposal meets or exceeds the equivalent value of the community housing contribution that would be provided under an outright method meeting all standards and conditions. Factors for consideration in this evaluation include but are not limited to amount, location, quality, and timing of delivery.

(C) Other factors relevant to the unique circumstances and context of the proposal.

SECTION 4. AMENDMENTS TO SECTION 16.03.020 TABLE OF PERMITTED USES

Table 16-7: Table of Permitted Uses shall be revised to remove "P" from the T, T-3000, and T-4000 districts for "dwelling, one family" use in the Residential Use category.

SECTION 5. AMENDMENTS TO SECTION 16.03.030.C.4. HOTEL

a. Hotels may exceed the maximum floor area~~, height,~~ or minimum open site area requirements of this Code subject to the following review process:

(1) A Planned Unit Development, outlining the requested exceptions to ~~bulk regulations~~lot and building standards, shall be prepared and approved by the City.

(2) A subarea analysis, addressing the Comprehensive Plan designation for the subarea; impacts of the proposed hotel on the character and scale of the surrounding neighborhood; impacts on proposed height and mass relative to the City's Design Review standards and the PUD standards; and the appropriateness of the subarea for a hotel that exceeds the ~~dimensional standards~~lot and building standards requirements of the underlying zoning district, shall be prepared and approved by the City.

b. In addition to all other hotel requirements of this Code, the following standards apply to hotels in the T and CC districts:

(1) For hotel developments, community housing calculations apply to all residential units. However, 100 percent of the community housing requirement will be waived only for the residential portion of hotel projects that meet the hotel definition adopted by the City Council.

(2) Hotel developments are required to mitigate employee housing impacts at a ratio of 25 percent of the total number of employees calculated by the following formula: one employee per hotel room or bedroom.

(3) The applicant shall provide an employee housing plan that outlines the number of employees, income categories and other pertinent data. The employee housing plan shall be the basis of the applicant's proposal for a mix of employee housing that addresses the range of employees needed to serve the hotel.

(4) The City Council may consider a request by the hotel developer to satisfy any required employee or community housing square footage by alternate means. Off-site mitigation, payment of in lieu fees, land in lieu of units, voluntary real estate transfer fees or other considerations may be proposed by the hotel developer. Larger sites are encouraged to include workforce housing on site. The Council has full discretionary power to deny the request.

(5) Hotels shall enter into a development agreement with the city as part of the approval process. The development agreement may address the following subjects: community housing, hotel room uses and restrictions, public access on the property, alternatives, and remedies if the hotel use ceases, and any other issues the Planning and Zoning Commission or City Council deems appropriate. The development agreement shall follow the public hearing process as outlined in §16.02.050, *Planned Unit Development* (PUD). The development agreement shall be subject to §16.07.020.E.8.

~~(6) Hotels may build a fourth floor. If a site meets the criteria for five-story hotel site designation, a fifth floor may be built. Five-story hotels may only be approved via a Planned Unit Development (PUD) as outlined in §16.02.050. A property shall meet all of the following criteria to be designated as a five-story hotel site:~~

~~(A) Is located in subdistrict A, retail core of the community core district.~~

~~(B) Has a minimum lot area of 33,000 square feet.~~

SECTION 6. AMENDMENTS TO SECTION 16.08.020 TERMS DEFINED.

Amend the definition for **"Building Height"** as follows:

1. In all other Districts:
   a. Building height shall be the greatest vertical distance measured at any point from natural, existing, or finished grade, whichever is lowest, to the highest point of the roof. ~~The maximum vertical distance from the lowest exposed finished floor to the highest point of the roof (regardless of vertical alignment) shall be no more than five feet greater than the maximum height permitted in the zoning district.~~ No facade shall be greater than the maximum height permitted in the zoning district or overlay district.

b. Facades that step up or down hillsides shall be set back from the lower facade a minimum of 50 percent of the height of the lower facade; except, that roof overhangs may extend up to three feet into this area. This building height provision shall apply to parapets, Boston roofs and any other portion of a building roof, but shall not apply to flagpoles, lightning rods, weathervanes, antennas, or chimneys.

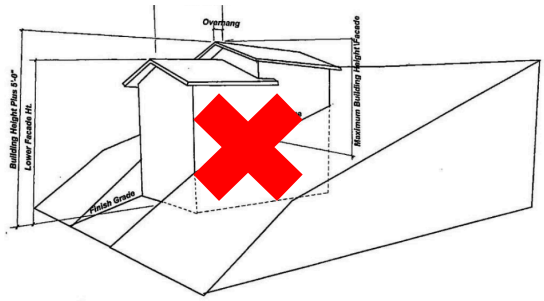


Figure 08-2: Building Height Calculation

Add the following definitions in alphabetic order:

Floor

A floor means the vertical portion of a building between the finished floor surface of one level and the finished floor surface of the level immediately above or below. Where no floor exists above, the upper boundary is the ceiling or roof structure above.

SECTION 7. SAVINGS AND SEVERABILITY CLAUSE: It is hereby declared to be the legislative intent that the provisions and parts of this Ordinance shall be severable. If any paragraph, part, section, subsection, sentence clause or phrase of this *Ordinance* is for any reason held to be invalid for any reason by a Court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 8. REPEALER CLAUSE: All City of Ketchum Ordinances or resolutions or parts thereof which are in conflict herewith are hereby repealed.

SECTION 9. 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 10. EFFECTIVE DATE: This Ordinance shall be in full force and effect from and 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

Development Code Update Feasibility Analysis

Summary of Findings

June 2026

Economic & Planning Systems, Inc.
The Economics of Land Use

OAKLAND
SACRAMENTO
LOS ANGELES
DENVER

www.epsys.com

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OVERVIEW AND INPUTS

PROJECT PURPOSE AND APPROACH

Purpose

- Financial feasibility testing of conceptual projects in CC-1 and CC-2 districts to support changes to the district requirements.
- Feasibility testing to support changes to the Floor Area Ratio (FAR) Density Bonus Program for projects in the CC-1 and CC-2 districts.

Approach

- Three sites analyzed in separate models.
  - CC-1 Single Lot
  - CC-2 Single Lot
  - CC-2 Consolidated Lot
- Potential changes to the code are analyzed in comparison to a “base case” program.
  - Existing by-right FAR of 1.0
  - Maximum FAR of 2.25 under current bonus program

OVERVIEW AND INPUTS

STANDARD INPUTS

- Feasibility is assessed using simple, static proforma models that compare estimated project value to project development cost.
- Project Value Approach
  - Sales proceeds from for-sale units less cost of sale, concessions, and commissions.
  - Capitalized value of net operating income generated by for-rent units and commercial space.
- Project profit/return targets include 10% profit for for-sale units. Profit on for-rent units and commercial accounted for in cap rate.

	Factor	
Revenue/Operating Factors		
Commercial		
Monthly Rent (NNN)	$3.00-$3.50	per sf
Annual Rent (NNN)	$36-$42	per sf
Vacancy (Commercial)	7.0%	per year
Operating Expenses	10-15%	of effective gross income
Residential		
For-Sale (Price per SF)		
Larger Penthouse Condo (Greater than 2,000 sf)	$1,800 to $2,200	per sf
Smaller/Less Prominent Condo	$1,600	per sf
Cost of Sale	4%	of income
Community Housing (Rent per SF - Category 4)		
Community Housing (Studio)	$1,344	per sf
Community Housing (1-Bed)	$1,439	per sf
Community Housing (2-Bed)	$1,631	per sf
Development Cost Factors		
Acquisition and Site		
Acquisition Cost	$235	per land sf
General Site Costs	$15	per land sf
Hard Costs		
Surface Parking Costs	$3,500	per space
Tuck Under Parking Costs	$5,000	per space
Building Cost - Podium	$80	per sf
Building Cost - Underground Parking	$450	per sf
Building Cost - Multifamily	$850	per sf
Building Cost - Commercial	$650	per sf
Soft Costs		
Design and Architecture	5.0%	% of HC
Building Permits and Use Tax	5.0%	% of HC
FF&E, Taxes, Insurance & Project Marketing	7.5%	% of HC
Community Housing Fee in Lieu	$762	per sf of CH
Developer Fee	2.5%	% of Total Cost
Percent of Hard Costs	20-30%	Depending on Community Housing FIL
Project Return/Valuation Assumptions		
Developer Profit	10%	On For-Sale Residential Units
Market Cap Rate		
Residential	5.0%	
Commercial	6.5%	

Source: Economic & Planning Systems

OVERALL FINDINGS

MAJOR CONSIDERATIONS

- Modeling Considerations
  - The development programs tested are conceptual and are meant to illustrate potential projects. Each site is unique and these programs may not be able to be replicated on real sites.
  - Model inputs used are a current snapshot of conditions.
  - Project return assumptions are meant to illustrate minimum threshold needed to attract investment.
  - The purpose of the modeling is to illustrate the relative difference in returns from potential changes and not to determine the exact perimeters under which all projects can be feasible.
  - Feasibility testing found that most/all of programs tested either marginally meet the required return metric or fall short of the metric.

- Findings
  - Project feasibility is highly dependent on the ability to sell luxury "penthouse" units. The ability of a project to create and sell these units (assumed to sell for $2,000 per sf) is essential to being able to generate community benefits through the bonus incentive program.
  - The depth and strength of the luxury market is difficult to determine and can fluctuate with market/economic conditions. Re-calibration of the bonus programs is likely necessary to reflect these changing conditions.
  - The city will likely be more successful in leverage new development to create community benefits if it prioritizes a benefit(s) (e.g., community housing or affordable commercial space) it wants to create through the incentive program. Placing too many requirements on projects is likely to result in bonus program not being utilized.

RETAIL CORE

BASE FAR

- Code Change Direction – Encourage buildings that are smaller and more character aligned.
- Code Change Intent - Increasing base FAR may encourage more by-right development that is does not seek to maximize density bonus FAR, while still being able to provide commercial space.
- Feasibility Impact – Increase of FAR allows for larger units, which increases feasibility.
  - Profit increases from below target to above in modeling.

Scenarios

- Option A – Base Case (1.0 FAR)
- Option B- Increased FAR (1.2 FAR)

	Factor	Option A	Option B
Total Area (Sq. Ft.)		**5,500**	**5,500**
Total Area (Acres)		**0.13**	**0.13**
FAR		**1.00**	**1.20**
Commercial			
Gross Building Area			
Ground Level		1,950	1,950
Total		**1,950**	**1,950**
% of Total		35%	30%
Efficiency Factor		57.0%	57.0%
Residential			
Gross Building Area			
Ground Level		0	0
Floor 2		3,550	2,325
Floor 3		0	2,325
Total		**3,550**	**4,650**
Efficiency Factor		85.6%	86.0%
Units			
Penthouse		2	2
Average Unit Size			
Penthouse		1,519	2,000
Parking			
Total		**4**	**4**
Project Return and Gap			
Project Cost			
Total Cost		$6,594,209	$7,720,300
Per GBA		$1,199	$1,170
Per Unit		$3,297,105	$3,860,150
Static Evaluation			
Total Project Value		$6,754,438	$8,611,003
Total Project Cost		$6,594,209	$7,720,300
Project Return		$160,229	$890,703
Profit (Return as % of Cost)		2.4%	11.5%
Target		10.0%	10.0%

Source: Economic & Planning Systems

RETAIL CORE

BONUS FAR

- Code Change Direction – Encourage buildings that are smaller and more character aligned.
- Code Change Intent – Decrease maximum FAR to reduce size of buildings.
- Feasibility Impact – Reduced FAR limits ability to include at least 30% commercial and/or on-site community housing.
  - Returns are similar but more challenging
  - Paying fee in lieu option becomes likely only feasible option
  - Reducing minimum density provides more flexibility

Scenarios

- Option C – Base Case (2.25 FAR)
- Option D- Decreased FAR (2.0 FAR)
- Option E – Decreased FAR and Minimum Density

	Factor	Option C	Option D	Option E
Total Area (Sq. Ft.)		**5,500**	**5,500**	**5,500**
Total Area (Acres)		**0.13**	**0.13**	**0.13**
FAR		**2.25**	**2.00**	**2.00**
Commercial				
Gross Building Area				
Ground Level		3,300	3,300	3,000
Floor 2		0	0	0
Floor 3		0	0	0
Total		**3,300**	**3,300**	**3,000**
% of Total		27%	30%	27%
Efficiency Factor		60.0%	60.0%	60.0%
Residential				
Gross Building Area				
Ground Level		0	0	0
Floor 2		4,700	4,400	4,600
Floor 3		4,400	3,300	3,400
Total		**9,100**	**7,700**	**8,000**
Efficiency Factor		85.0%	86.0%	85.0%
Units				
Penthouse		2	2	2
Condo		2	1	0
Community Housing		0	0	1
Total		**4**	**3**	**3**
Average Unit Size				
Penthouse		2,867	2,838	3,000
Condo		1,000	946	0
Community Housing		0	0	800
Community Housing Requirement		1,173	935	935
Fee in Lieu Square Feet		1,173	935	135
Parking				
Total		**6**	**5**	**6**
Project Return and Gap				
Project Cost				
Total Cost		$14,259,096	$12,633,978	$12,085,616
Per GBA		$1,150	$1,149	$1,099
Per Unit		$3,564,774	$4,211,326	$4,028,539
Static Evaluation				
Total Project Value		$15,591,598	$13,852,257	$13,189,507
Total Project Cost		$14,259,096	$12,633,978	$12,085,616
Project Return		$1,332,502	$1,218,278	$1,103,891
Profit (Return as % of Cost)		9.3%	9.6%	9.1%
Target		10.0%	10.0%	10.0%

Source: Economic & Planning Systems

Important Factor
- Less than 30% commercial triggers minimum density of 4 unit

RETAIL CORE

FINDINGS AND RECOMMENDATIONS

Findings

- Increasing the base FAR improves returns for by-right projects and may encourage more by-right projects
- Too many limiting requirements makes designing a feasible project difficult and creates uniformity in design. Adding a minimum unit size and/or substantial set/step backs (e.g. 30') are too onerous on projects. FAR and minimum density are better control levers. The allowable form of the building along with density requirements will drive smaller unit sizes without having to dictate product types.
- Reducing allowable FAR in the bonus program to limit bulk and mass needs to be met with reductions in minimum density requirements to not substantially impact feasibility.

Recommendations

- Consider an increase of the base FAR to 1.2 to try to encourage more projects to utilize by-right allowances instead of maximizing FAR.
- Avoid overly onerous step/set back requirements. 10' to 20' don't seem to greatly impact project design.
- Reconsider maximums on unit sizes as FAR requirements and minimum density standards already limit unit sizes in the bonus program while still providing design flexibility.
- Reductions in allowable FAR in the bonus program will increase the attractiveness of the fee-in-lieu option.
- Consider reducing minimum density requirements if on-site community housing and/or desired retail spaces (e.g., smaller sizes, restaurant ready, reduced rent rates) are provided.

MIXED-USE AREA

TIERED FAR BONUS

Scenarios

- Option A – MU w/ 2.25 FAR
- Option B – All Res w/ 2.25 FAR
- Option C –MU w/ 1.6 FAR
- Option D – All Res w/ 1.6 FAR

- Code Change Direction – Encourage diversity of building sizes.
- Code Change Intent – Provide a middle tier density bonus.
- Feasibility Impact – A mid-tier bonus could result in projects having similar returns to max FAR but with reduced requirements.
  - Minimum density needs to be reduced
  - Paying fee in lieu option becomes more attractive
  - % commercial space threshold for minimum density needs to be reduced

	Option A	Option B	Option C	Option D
FAR	**2.25**	**2.25**	**1.60**	**1.60**
Commercial				
Gross Building Area				
Ground Level	3,300	1,800	2,400	1,320
% of Total	27%	15%	27%	15%
Net Leasable Area				
Ground Level	1,980	0	1,080	0
Residential				
Gross Building Area				
Ground Level	0	1,800	0	1,080
Floor 2	4,700	4,400	3,200	3,200
Floor 3	4,400	4,400	3,200	3,200
Total	**9,100**	**10,600**	**6,400**	**7,480**
Efficiency Factor	85.0%	85.0%	85.0%	85.0%
Units				
Penthouse	2	2	2	2
Condo	2	4	0	1
Total	**4**	**6**	**2**	**3**
Average Unit Size				
Penthouse	2,867	2,600	2,720	2,702
Condo	1,000	953	0	918
Community Housing Requirement	1,173	1,173	561	561
Fee in Lieu Square Feet	1,173	1,173	561	561
Parking				
Total	**6**	**8**	**4**	**4**
Project Return and Gap				
Project Cost				
Total Cost	$14,259,096	$14,628,839	$10,302,257	$10,562,402
Per GBA	$1,150	$1,180	$1,171	$1,200
Per Unit	$3,564,774	$2,438,140	$5,151,128	$3,520,801
Static Evaluation				
Total Project Value	$15,591,598	$16,036,160	$11,366,775	$11,985,728
Total Project Cost	$14,259,096	$14,259,096	$10,302,257	$10,562,402
Project Return	$1,332,502	$1,777,064	$1,064,519	$1,423,326
Return on Cost (ROC)	9.3%	12.5%	10.3%	13.5%
Target	10.0%	10.0%	10.0%	10.0%

Source: Economic & Planning Systems

MIXED-USE AREA

COMMUNITY TRADEOFFS

Scenarios

- Option A – MU w/ 2.25 FAR Reduced Min. Density for Benefits
- Option B – Restaurant Space
- Option C – Affordable Commercial
- Option D – Category L, 2-Bed Unit

- Code Change Direction – Utilize bonus density to get greater diversity of benefits.
- Code Change Intent – Reduce minimum density to entice inclusion of desired community assets.
- Feasibility Impact – Reducing in minimum density may entice inclusion of desired community assets.
  - Providing specific types/sizes of commercial space and/or reduction in rent rates is an enticing option
  - Providing specific types of community housing units is an enticing alternative

	Option A	Option B	Option C	Option D
FAR	**2.25**	**2.25**	**2.25**	**2.25**
Commercial				
Gross Building Area				
Ground Level	3,300	3,300	3,300	1,800
% of Total	27%	27%	27%	15%
Net Leasable Area				
Ground Level	1,980	1,980	1,980	0
Residential				
Gross Building Area				
Ground Level	0	0	0	1,450
Floor 2	4,700	4,700	4,700	4,700
Floor 3	4,400	4,400	4,400	4,400
Total	**9,100**	**9,100**	**9,100**	**10,550**
Efficiency Factor	85.0%	85.0%	85.0%	85.0%
Units				
Penthouse	2	3	3	3
Condo	2	0	0	0
Community Housing	0	0	0	1
Total	**4**	**3**	**3**	**4**
Average Unit Size				
Penthouse	2,867	2,578	2,578	2,578
Condo	1,000	0	0	0
Community Housing	0	0	0	1,233
Community Housing Requirement	1,173	1,173	1,173	1,165
Fee in Lieu Square Feet	1,173	1,173	1,173	-69
Parking				
Total	**6**	**8**	**8**	**6**
Project Return and Gap				
Project Cost				
Total Cost	$14,259,096	$14,269,334	$14,269,334	$13,599,549
Per GBA	$1,150	$1,151	$1,151	$1,101
Per Unit	$3,564,774	$4,756,445	$4,756,445	$3,399,887
Static Evaluation				
Total Project Value	$15,591,598	$16,361,518	$15,985,221	$15,404,384
Total Project Cost	$14,259,096	$14,259,096	$14,269,334	$13,599,549
Project Return	$1,332,502	$2,102,422	$1,715,888	$1,804,835
Return on Cost (ROC)	9.3%	14.7%	12.0%	13.3%
Target	10.0%	10.0%	10.0%	10.0%

Source: Economic & Planning Systems

MIXED USE DENSITY BONUS TESTING

FINDINGS AND RECOMMENDATIONS

Findings

- Tiered Bonus Program
  - A middle tier bonus option can produce similar returns for projects as the full FAR projects however with reductions in requirements.
  - The minimum density requirements need to be reduced by one unit for each tier (i.e. % of commercial included) and the requirements for commercial space may need to be reduced (i.e. down to 20% from 30% threshold).
- Bonus Program Benefits
  - Providing desired commercial spaces (i.e., restaurant space, rent reduced commercial) is feasible and an attractive option if a minimum density and/or % commercial thresholds requirements are reduced to encourage provision of the commercial spaces.
  - Providing the option of meeting community housing requirements using a specific size (i.e. 2+ bedroom) and category L income requirement (140% of AMI) is an attractive alternative.

Recommendations

- Consider providing a middle tier bonus option with a maximum FAR of 1.6 however with lower minimum density requirements and lower commercial space requirement.
  - This program will likely produce more fee-in-lieu participation than on-site community housing
- Consider building in an additional bonus option if desired commercial spaces are provided in exchange for reduction in minimum density.
  - The definition of the desired commercial space needs to be fully developed.
- Considering allow for an easier path to provided targeted community housing units within the bonus program (e.g., without city council approval).
  - The definition of the desired unit type(s) is needed.

MIXED-USE AREA

CONSOLIDATED LOTS

Scenarios

- Option A – Consolidated Lot with 20% requirement, FIL
- Option B – Consolidated Lot with 30% requirement FIL

- Code Change Direction – Discourage lot consolidation and leverage development to generate more benefits.
- Code Change Intent – Increase set aside requirement to leverage lot consolidation.
- Feasibility Impact – The increase of the requirement even on consolidated lots is impactful and may restrict development.
  - Consolidated lots may make design and parking issues easier to address but increased development capacity may not make the project more attractive financially due to the reliance on sale of higher priced "penthouse" units to make project pencil. More spaces means more high-end units to sell but also more market risk.

	Option A	Option B
FAR	**2.25**	**2.25**
Commercial		
Gross Building Area		
Ground Level	9,000	9,000
% of Total	36%	36%
Net Leasable Area		
Ground Level	4,050	4,050
Residential		
Gross Building Area		
Ground Level	0	0
Floor 2	8,000	8,000
Floor 3	7,750	7,750
Total	**15,750**	**15,750**
Efficiency Factor	85.0%	85.0%
Units		
Penthouse	6	6
Condo	0	0
Total	**6**	**6**
Average Unit Size		
Penthouse	2,231	2,231
Condo	0	0
Community Housing Requirement	2,338	3,506
Fee in Lieu Square Feet	2,338	3,506
Parking		
Total	**12**	**12**
Project Return and Gap		
Project Cost		
Total Cost	$27,864,202	$28,777,054
Per GBA	$1,126	$1,163
Per Unit	$4,644,034	$4,796,176
Static Evaluation		
Total Project Value	$28,614,264	$28,611,384
Total Project Cost	$27,864,202	$28,777,054
Project Return	$750,062	-$165,670
Return on Cost (ROC)	2.7%	-0.6%
Target	10.0%	10.0%

Source: Economic & Planning Systems

MIXED USE CONSOLIDATED LOTS

FINDINGS AND RECOMMENDATIONS

Findings

- Increasing the requirements from 20% to 30% on consolidated lots still greatly impacts feasibility as the marginal increases in revenues/efficiencies from a larger building do not offset the significant increase in cost related to the increased requirement.
- Increasing the requirement on consolidated lots may reduce desire for developers to consolidated lots and instead choose to do single lot projects.

Recommendations

- Do not recommend increasing the requirement if diversity of buildings and unit types is desired.
- If increasing the requirement is meant as way to make single lot development more enticing, then the increase may be warranted.

COMM. HOUSING ALTERNATIVES

Scenarios

- Option A- Max 2.25 FAR w/FIL
- Option B- Max 2.25 FAR with on-site rental
- Option C- Max 2.25 w/FIL no net reduction
- Option D- Max 2.25 w/ Cate L for-sale unit
- Option E – Max 2.25 FAR with 30% set aside and FIL

- Code Change Direction – Utilize bonus density to get more community housing.
- Code Change Intent – Provide alternative or increased requirements
- Feasibility Impact – Increased requirements challenge feasibility.
  - Fee in lieu most attractive
  - Different category requirements have minimal impact on feasibility but can provide flexibility
  - Substantial increase to set aside percentage has significant impacts on feasibility

	Option A	Option B	Option C	Option D	Option E
Description	Max 2.25 FAR w/ FIL	Max 2.25 FAR w/ on-site rental	Max 2.25 FAR w/ FIL no Net	Max 2.25 FAR w/ Cat L Unit	Max 2.25 FAR with 30% requirement
FAR	**2.25**	**2.25**	**2.25**	**2.25**	**2.25**
Commercial					
Gross Building Area					
Ground Level	3,300	3,300	3,300	3,300	3,300
% of Total	27%	27%	27%	27%	27%
Net Leasable Area					
Ground Level	1,980	1,980	1,980	1,980	1,980
Residential					
Gross Building Area					
Ground Level	0	0	0	0	0
Floor 2	4,700	4,550	4,700	4,550	4,700
Floor 3	4,400	4,550	4,400	4,550	4,400
Total	**9,100**	**9,100**	**9,100**	**9,100**	**9,100**
Efficiency Factor	85.0%	85.0%	85.0%	85.0%	85.0%
Units					
Penthouse	3	3	3	3	3
Condo	1	0	1	0	1
Community Housing	0	1	0	1	0
Total	**4**	**4**	**4**	**4**	**4**
Average Unit Size					
Penthouse	2,332	2,187	2,332	2,187	2,332
Condo	740	0	740	0	740
Community Housing	0	1,173	0	1,173	0
Community Housing Requirement	1,173	1,173	1,380	1,173	1,760
Fee in Lieu Square Feet	1,173	0	1,380	0	1,760
Parking					
Total	**6**	**7**	**6**	**7**	**6**
Project Return and Gap					
Project Cost					
Total Cost	$14,259,096	$13,348,947	$14,420,774	$13,348,947	$14,717,182
Per GBA	$1,150	$1,077	$1,163	$1,077	$1,187
Per Unit	$3,564,774	$3,337,237	$3,605,193	$3,337,237	$3,679,296
Static Evaluation					
Total Project Value	$16,077,360	$14,369,829	$15,704,901	$14,397,182	$14,107,438
Total Project Cost	$14,259,096	$13,348,947	$14,420,774	$13,348,947	$14,259,096
Project Return	$1,818,263	$1,020,882	$1,284,128	$1,048,235	-$151,658
Return on Cost (ROC)	12.8%	7.6%	8.9%	7.9%	-1.1%
Target	10.0%	10.0%	10.0%	10.0%	10.0%

Source: Economic & Planning Systems

COMMUNITY HOUSING ALTERNATIVES

FINDINGS AND RECOMMENDATIONS

Findings

- The fee in lieu option is the most attractive financially based on the concepts tested.
- Removing the net space required reduction makes the fee in lieu project fall below the target returns but becomes in line with returns for projects with on-site units.
- Changes to the category requirements to allow for category 5 or 6/L improves returns but only slightly. Allow for higher incomes units may entice greater on-site unit creation, especially for desired unit types (e.g., larger units).
- Increasing the set aside percentage requirement has major impacts on feasibility.

Recommendations

- Significant changes to the set aside requirements will create significant feasibility challenges and major increases are not recommended.
- Minor changes to the bonus program to make on-site units more attractive or to encourage development of desired/needed unit types can create more flexibility for project designs and ensure a mix of on-site and fee in lieu is produced.
  - Removal of the net space reduction for projects that choose the Fee in Lieu option can produce more revenue from projects and may increase projects to consider on-site units
  - Allowing for for-sale category L units (instead of category 4 units), perhaps with a minimum unit size or bedroom requirement, may entice desired on-site unit types to be produced.

From: Heidi Baldwin <heidibaldwinsv@gmail.com>
Sent: Thursday, July 30, 2026 3:42 PM
To: Abby Rivin <ARivin@ketchumidaho.gov>
Subject: Rooftop garden/patio's

Hi Abby,

May I ask you please forward this message to the appropriate planner? I'd also like to put it in the public record when and if it is appropriate.

I would encourage the City to consider allowing rooftop gardens and rooftop decks with appropriate safety barriers to extend above the maximum building height, provided they are not enclosed as habitable living space.

Rooftop gardens can significantly enhance the character and livability of a residential neighborhood while preserving the City's intended building scale. They provide attractive outdoor living space, improve views, and contribute to a more pedestrian-friendly and visually appealing community. In addition, landscaped rooftops can help reduce heat gain, improve stormwater management, and encourage sustainable design.

Because these features are open-air amenities rather than additional living area, allowing safety railings, landscaping, pergolas, and similar rooftop elements to extend above the height limit would create a meaningful public benefit without increasing the perceived bulk or density of the buildings.

This type of design has been successfully incorporated into many mountain and resort communities and would encourage thoughtful architecture while maintaining the City's overall planning objectives.

Thank you.

Heidi Baldwin

208-720-2505

105 Irene Street

Ketchum, Idaho

From: susiemichael
To: Planning and Building
Subject: code update
Date: Tuesday, August 4, 2026 8:12:04 PM

Hello,
I'm sending some suggestions I feel are very necessary to code updates.

Code is sorely lacking in environmental protection, restoration or even importance. This must change. The health of our people, our recreational tourist economy, our Ketchum lifestyles and vital weather patterns for snow depend on vibrant natural environments and ecosystems and lots of trees. The natural environment sustains *all* life and is our most precious resource and our most fragile resource.

Living system awareness leads us intelligently toward co -creating the built environment to harmonize with natural ecosystems, denying development where it is detrimental to other than human life and protecting, restoring, rewilding land whenever possible to ensure all living systems thrive. Our relationship to the land we are on cannot be emphasized enough for long term sustainability.

1. buffer zone for both floodplain & wetlands

2. no lot line includes the riparian, lot line begins outside riparian zone

3. increase depth of riparian, maybe to 35 feet or more

4. mature trees directly outside delineation line of floodplain, wetlands riparian should be saved even if not inside the line on the map, including cottonwood trees

5. no floodplain permit to build anything, anywhere, anytime. period. no building within floodplain

6. enforce 1/2 acre irrigation limit per lot as per state law.

Thank you, Susie Michael Ketchum

Luke Poster

From: susan hoehn <susanhoehn1@gmail.com>
Sent: Friday, July 31, 2026 10:07 AM
To: Luke Poster
Subject: objection to density increase

Follow Up Flag: Follow up
Flag Status: Flagged

Susan and Bill Hoehn object to any increase in density of the Greyhawk area, the surrounding neighborhoods, we do not wish to provide higher density to the upper bench and limit density in the lower bench.

Susan Hoehn
P.O. Box 1606
Rancho Santa Fe, CA 92067
858-759-1102
susanhoehn1@gmail.com

Aug 6th, 2026 1:35 PM

I and concerned with new height reduction proposed in zoning rewrite, in GR-L ZONE , I am in planning process of developing a townhouse on 105 Irene drive for H Baldwin . I have a 35' building across the street as well as numerous creekside buildings around 30' plus or minus on creek therefore in a hollow shady place with only 1500 allowable footprint which means I have to put public space on second level and some bedrooms roof deck on third level to get up in sunshine and view corridor. I have been a practicing architect since 1987 .and working in office since 1977. all this time hit restriction was 35' . this ordinance devalues property and removes the owners ability to have third floor space ,which came with property and hieghts should therefore be grandfathered . my client is opposed to revised ordinance.

Michael Blash

Michael Blash Architects

Outlook

Public Comment and Analysis

From Ned Burns <ned@sunvalleyrealtors.org>
Date Wed 8/5/2026 4:04 PM
To Brenda Moczygemba <BMoczygemba@ketchumidaho.gov>; Tim Carter <TCarter@ketchumidaho.gov>; Joey Stevenson <jstevenson@ketchumidaho.org>; Hannah Harris <hharris@ketchumidaho.org>; Heidi Schernthanner <HSchernthanner@ketchumidaho.org>; Participate <participate@ketchumidaho.gov>

2 attachments (18 KB)
Financial Feasibility Base Case Analysis (1).xlsx; SVBR GAD Code Breakdown (1).docx;

Commissioners,

In advance of tomorrow's meeting, please make sure to look at the attached public comment and spreadsheet regarding financial feasibility for the proposed code changes. It is of critical importance that this group understands the potential ramifications of moving forward with the proposed changes code as written.

--
Ned Burns
Government Affairs Director
Sun Valley Board of Realtors
2083091183

Costs		
Consultant Provided		
Land Cost	5500x250	1375000
First Floor Commercial	3300x650	21450000
Second Floor Residential	4700x850	3995000
Third Floor Residential	4400x850	3740000
Subtotal Construction Cost		11225000
Consultant Identified Soft Cost	20% of Hard Cost	2251000
Subtotal Full Cost		13506000
FIL Payment	1173x764	896172
Total Construction Costs		14402172

Costs		
TAG Reviewed		
Land Cost	5500x350	1925000
First Floor Commercial	3300x650	2145000
Second Floor Residential	4700x900	4230000
Third Floor Residential	4400x900	3960000
Landscaping	5500x15	175000
Subtotal Construction Cost		12435000
Design/Entitlement	12% Const Cost	1492200
Other Indirect Costs	12400x60	744000
Developer Mgmt	3% excl land and FIL	550000
Contingency	5% total cost	900000
Financing		1500000
Subtotal Full Cost		16821200
FIL Payment	1173x764	896172
Total Construction Cost		18,517,372

Revenues		
Gross Condo Sales 2nd Floor	3965x1600	6344000
Less 4% Commission	253760	6090240
Gross Condo Sales 3rd Floor	3740x2000	7480000
Less 4% Commission	299200	7180800
Subtotal Net Condo Sales		13271040
Commercial Rent	2805x3.5x12	117810
Vacancy Rate	7%	8246
Subtotal		109563
Operating Expense	10%	10956
NOI		98607
Cap Rate	6.50%	1517030
Less 4% Commission	60681	1456349
Total Revenues		14727389

Revenues		
Gross Condo Sales 2nd Floor	3965x1600	6344000
Less 7% Commission	444080	5899920
Gross Condo Sales 3rd Floor	3740x1800	6732000
Less 7% Commission	471240	6260760
Subtotal Net Condo Sales		12160680
Commercial Rent	2805x3.5x12	117810
Vacancy Rate	5%	5891
Subtotal		111919
Operating Expense	10%	11191
NOI		100727
Cap Rate	5%	2014540
Less 7% Commission	141018	1873522
Total Revenues		14034202

Having reviewed the proposed code rewrites in their entirety multiple times I have grave concerns with the governing bodies moving forward with any portion of the rewrites, whether greater phase one, or the fast track sections that will be before P/Z on 8/6. While the code has been worked on diligently by staff and consultants, the feasibility exercise presented is not accurate based on current market conditions and construction costs. A subgroup of the TAG in construction, architecture, and real estate prepared a realistic feasibility analysis with actual costs and market values seen today in Ketchum. This actual current snapshot of conditions is included along with this public comment in addition to the consultant's pro forma for comparison. The models all assumed a 10% return on cost is acceptable - there is not a developer, nor a local lender, nor a lender in the private debt and equity markets who would be willing to finance or invest in a project for such a negligible return. While a couple of the consultant's models did hit that unrealistic 10% return on cost threshold, many did not, and some even showed a negative return. None of the models presented would pass muster for a developer to take on the risk of building for the risk involved. This should be a flashing red light to both P/Z and Council that the proposed code will not be economically feasible.

To make our realistic financial analysis based on actual current conditions easy to digest, we chose the base case scenario. Our spot check of the consultant's numbers came up with some markedly different results while still using his published methodology, which draws serious concerns about relying on them for feasibility purposes as proposed code adoption is contemplated. Trying to reconstruct his conclusions, using his own numbers, which only included total revenue and total cost, we were unable to replicate his financial outcomes. Using his identified construction cost assumptions, we found total costs to be roughly $150,000 higher. Using his sales price assumptions the total revenue came in roughly $850,000 lower, putting the project return margin at around $300,000, thus making the project clearly infeasible without adjusting for actual current conditions.

Adjusting assumptions to TAG actual current conditions, the projected margin is a $4,500,000 loss, while a developer and a lender would be looking for around a $3,000,000 profit margin. While there may be questions about some of our assumptions and calculations, the differences are so stark that it behooves the Planning Commission to pause and ask the consultant to rerun all the calculations. Again, pointing out that this is the base case scenario, it calls into question all the other financial feasibility in all the other models.

The consultant analysis does not include the financing cost for construction or land acquisition. However, we added that in on our model for accuracy purposes and it adds an additional $1.5 million in cost to construct. The fact that the consultant didn't provide for financing costs in any of his models draws even further troubling conclusions about the accuracy and usefulness of his analyses. If financing costs were accurately modeled and presented, the conclusions would be orders of magnitude worse.

The community housing incentives are unworkable in their proposed form. Removal of the 15% common space allowance in all projects further creates financial infeasibility. There was no financial modeling done that showed that removing the difference between gross and net usable

square footage does anything other than make development even less feasible. To contemplate including this provision for without analysis of the impact is a dereliction of duty. Understanding that this idea was floated only to raise more Fee In Lieu revenue for the city, it furthers an even more untenable development environment.

The proposal to withhold the administrative approval of In Lieu until after design review doesn't make sense since it is a matter of right. Delaying that approval unnecessarily places the applicant at risk of expending significantly more planning and design money without any idea of whether the In Lieu will be in fact approved. Similarly making the City Council execution of the FAR Exceedance Agreement discretionary would create additional unreasonable risk. The approval should be granted at the onset, with the requirement that the Council execute the FAR Exceedance Agreement upon design review approval.

There is also no rhyme or reason to the density decrease in the retail core. It will not necessarily result in less perception of bulky architecture to the citizens, it will instead likely stymie development.There seems to be no rational basis for this proposal, it seems to be based on vibes, and vibes is not a good way to deal with retail core character.

The height reductions throughout numerous neighborhoods in the city also need further analysis. In Sun Valley where they have a 30' height limit while allowing one third of the roofline to reach 35' they have successfully eliminated the boxy architecture out of character in neighborhoods, which begs the question, why not just mirror the Sun Valley ordinance as the architects on TAG suggested? In the MOD as well as other neighborhoods, there is no allowance (or requirement) for step backs, so you're more likely to get a 27 foot monolithic wall at the front set back line disrupting the desired flow of the neighborhood (another idea seemingly based on vibes). Reducing height in addition to density in the CC will likely only result in a lack of community housing units built and Fee In Lieu dollars to build a meaningful project elsewhere. This plan will likely result in buildings built exactly to minimum density allowed, with zero contribution to community housing either in units or dollars. The city states that they are desirous of community housing units or dollars contributed, and reducing density makes that desire difficult to achieve.

Several ideas that have been floated by consultants or council members need much further legal vetting in order to think about inserting into code, let alone actually considering adoption of them. The historic adjacency reduction in buildable area seems on its face to be a taking of private property rights in Idaho currently. A historic property is only historic within the 4 corners of its property pins. Beyond that, the idea of requiring someone else to reduce their buildable square footage flies in the face of private property rights in this state. Another untested idea that needs to be contemplated much further is the commercial deed restriction. Currently in Ketchum there is 70k sf of for sale and for lease commercial space. That plethora of commercial space will inevitably be leased or sold at some sort of discount to the market currently. The city has no idea of how much commercial space is available, at what rate, at what term, or anything else at any given moment in time. Considering the difficulties in managing the housing department, does the city have the expertise and the staff to manage another deed restriction program,

notwithstanding that it is basically untested anywhere in the state of Idaho? Who will oversee it, what kind of businesses will qualify, how long will they remain qualified? Would a business be in deed restricted commercial space in perpetuity, or just for a period of time until they establish themselves and move out for another new business?

The design review section is improved, but still not yet ready. There are too many subjective statements in the draft that would allow for too wide of interpretation and more fighting that no one wants. An applicant and their architect can see the draft one way, a concerned neighbor could see it another, and a P/Z commissioner is caught in the middle trying to best ascertain the vague nature of the standards and guidelines. Such subjectivity will likely cause further consternation between people looking to build and surrounding neighbors.

These are just the most pressing issues in the draft code release. These should point out that the P/Z should reject passage of the draft code in its entirety, send it back for drastic revisions, reengage the TAG, and not be in a rush to push something through at the behest of a council without fully understanding the ramifications of what a quick passage would mean to the future of the town, the workers, the surrounding businesses that rely on those workers. This code currently has the potential to create a de facto building moratorium at a time when there is not a lot of future development in Ketchum. Multiple projects are wrapping up and there aren't a lot in the queue behind, which shows us that the current code is already difficult to work with, let alone a new untested version potentially rife with problems. Although this process has been in the works for a long time with tremendous work by staff, the planning and zoning commission, the city council, and input from the community, it is still very clear that the revised code updates could have fatal flaws in them due to financial analysis that doesn't accurately reflect current construction costs or financial returns either. It is incumbent on this commission to pause today, and have the consultant run a real and true financial feasibility on each of the 4 cases presented to TAG, and only then consider revisions to the draft code. Anything short of that could have catastrophic consequences to the town. Another real concern that needs to be contemplated by P/Z and Council is what an infeasible code will do to the original LOT collections, both in construction LOT collections and an inevitable loss of general LOT dollars collected by workers dining out for lunch on a daily basis. These are real dollars that will most definitely be lost and will create a budgetary hardship for the city and our hardworking local business owners. If this commission doesn't pump the brakes on this process and move forward in a thoughtful deliberative fashion with critical thinking towards what some of these ideas will do, to not only the character but the economic viability of Ketchum moving forward, the results could be devastating to town.