



City of Ketchum

July 18, 2016

Mayor Jonas and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Jonas and City Councilors:

**Continuation of Consideration of Request from Helios Development to Extend the Development Approvals
for the Warm Springs Ranch Resort**

Introduction and History

The City Council approved the Warm Springs Ranch Resort Annexation and Development Agreement on August 11, 2009. This original agreement allowed for a maximum of ten years to complete the entire project, which included two distinct phases. The project was designed to be a mixed-use, hospitality project with a large hotel building establishing the development core of the project with adjacent areas of both active and passive open space. The project was permitted for a maximum of 728,446 square feet of development with hotel rooms, condominium suites, private residences, workforce housing, and villa estates. Since 2009, the Development Agreement has been amended three times with the most recent amendment approved on April 2, 2012 which extended the deadline for initiated Phase I of the development to August 2, 2016. The owner of the project, Helios Development LLC, now requests an eight-year extension of this deadline to August 2, 2024 by amending the Development Agreement. This would extend the prior approvals for the project, including the Planned Unit Development (PUD) conditional use permit (CUP), the Large Block Plat, and annexation approvals.

On June 6, 2016, the City Council held a public hearing on the extension request. After hearing testimony from the applicant, city staff, and members of the public, the City Council directed staff to research additional questions regarding the original approvals for the Warm Springs Ranch Resort. Staff has completed this research has included their findings in the report below.

All public noticing requirement have been met for this project, according to Title 17.154 of the Ketchum Municipal code. The public notice was sent to all adjoining property owners within 800 feet of the project, posted on site, publishing the official newspaper, and published online.

The City Council should review the currently entitled project, as reported in the section below, and determine whether an eight-year extension should be granted.

Current Report

On June 6, 2016, the City Council directed staff to research the following questions and report back at the July 18, 2016 meeting.

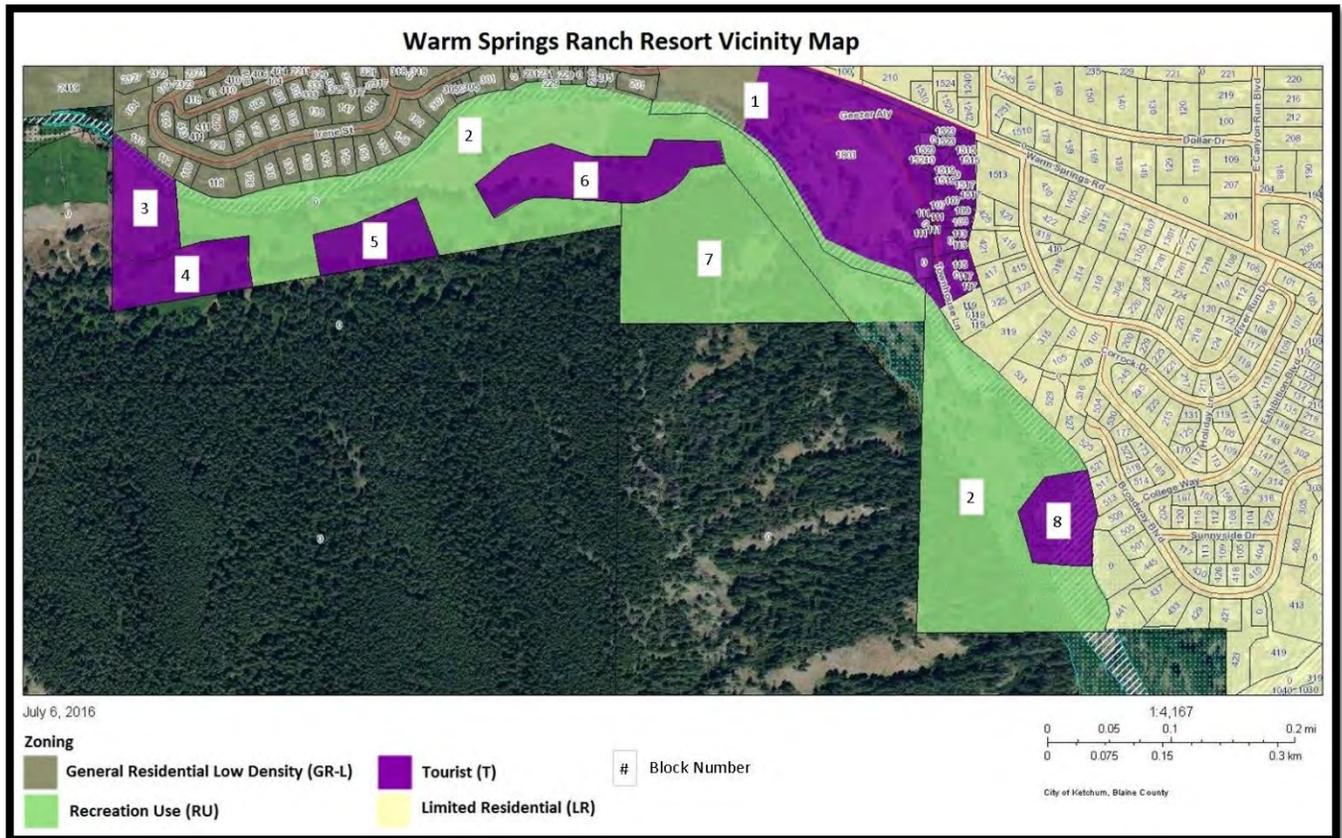
1. **Zoning Designations.** Determine whether the approved zoning designations would remain or revert to the previous zones if the approvals expired.

2. **Potential Development Impacts if Zoning Remains or Reverts.** Analyze the potential density options for development within the project area in the event the PUD expires and the zones remain as approved or revert to the original designations.
3. **Public Process and Meetings.** Detail the public process, meetings, and approvals throughout the entitlement process.
4. **Scale of Approved Development.** Provide more detailed information on what scale of development was approved in the Warm Springs Ranch PUD.
5. **Traffic Studies.** Research the traffic studies and determine which improvements were required as relates to Warm Springs Road, in particular the intersection of Warm Springs Road and Lewis Street.
6. **Community Benefits and Obligations.** Identify community benefits and timing for when and how the development must follow through with the public benefit obligations.
7. **Future Development Review.** Determine future processes for approval of developments.
8. **Revenue Impacts.** Determine revenue impacts to the Ketchum Urban Renewal Agency and the City of Ketchum
9. **Recreation Payments to City of Ketchum.** Determine payments to offset recreation impact obligations.
10. **Force Majeure provision of Development Agreement.** Determine City Council actions when relevance of Force Majeure provision in the Development Agreement in determining whether to approve the extension request.

Staff has researched these questions from the existing files and by conducting additional research. These are addressed sequentially below:

1. Zoning Designations

After consulting with the City Attorney, Jill Holinka, it is clear if the development agreement terminates because of a failure to satisfy requirements or conditions of the agreement, Idaho law allows for the property to remain zoned as conditioned in the development agreement or to be rezoned to some other zoning designation (I.C. 67-6511A). According to the statute, the City Council must first make a finding that the conditions of the development agreement were not satisfied, requiring termination of the agreement. After this finding is made, the City Council would also make a finding concerning the zoning designations after the agreement has terminated. Ketchum Municipal Code (17.154.060) states that when a development agreement is terminated, the zoning may revert to the prior zone or to a zone deemed appropriate by the council. Refer to the zoning and Large Block Plat exhibit below.



The zoning for Block 1 (see above and Attachment 4, Large Block Plat) remains nearly identical to pre-annexation with GR-L and Tourist zones splitting the 13.72 acre block. [Brittany to explain] The Tourist zone portion is 9.97 acres and the GR-L portion is 3.74 acres. Prior to annexation into the City of Ketchum, the portion of the development located south of Warm Springs Creek, Blocks 2-8, was required to be zoned General Residential – Low Density (GR-L) in the event the properties were annexed into the City. General Residential - Low Density (GR-L) allows for single family homes or duplexes on lots 8,000 square feet or larger. Through the Planned Unit Development process, these blocks (59.4 acres) were instead zoned Recreation Use (RU) and Tourist (T). The Tourist (T) zone encompasses 9.7 acres and the Recreation Use (RU) zone encompasses 49.6 acres. In the event the entitlements expired, the City Council could choose to rezone any portions of the development, keep the same zoning as approved, or revert the zoning to GR-L in Blocks 2-8 and to Tourist and GR-L in Block 1.

2. Potential Development Impacts if Zoning Remains

Staff researched two scenarios for the potential development possibilities if the entitlements expired and the property were open for new development options.

- Development Scenario 1. The first scenario anticipates the zoning would remain as approved for the Warm Springs Ranch Resort (see exhibit above).
- Development Scenario 2. The second scenario reverts the zoning back to General Residential- Low Density (GR-L) in all areas south of Warm Springs Creek (Blocks 2-8) and keeps the zoning for the areas north of Warm Springs Creek (Block 1) as existed before the development agreement.

The following table summarizes the development potential of each scenario in comparison to the Warm Springs Ranch Resort project:

Development Scenario	Maximum Gross Square Footage	Residential Units
<i>Approved Warm Springs Ranch</i>	<i>728,446 sf</i>	<i>Not specified</i>
Scenario 1: Zoning and Plat Remains	1,215,014 sf	Not specified
Scenario 2: Zoning Reverts	695,496.38 sf	204-484

In the first scenario, General Residential- Low Density (GR-L) would occupy 3.74 acres, Tourist zoned properties would continue to occupy 25.032 acres, and Recreation Use zoned properties would make up the remainder of the development with 49.62 acres. Considering the development limitations with maximum zoning density, riparian setbacks, building areas, avalanche zones, and environmental limitations, maximum square footage would be 1,215,014 square feet under this scenario with all development clustered on the Tourist zoned parcels. This number also takes into account plat notes that would apply to new developments, such as easements. For details on the methodology behind this number, please refer to Attachment 1 of this report.

Under the second scenario, the zoning on areas south of Warm Springs Creek (Blocks 2-8) would revert to GR-L zoning. This could result in 204 to 484 residential units built. These units would be limited to single family homes or duplexes. The wide range in housings units would depend on road widths, open spaces, access easements, and other development limitations that would be approved with each subdivision. All units would be limited to 35 feet maximum with the current setbacks for GR-L (Front: 15', Rear: 1 for 3', Side: 1 for 3'.) Under the previous County zoning, a maximum of 92 units would have been allowed.

For either scenario, the potential density of development is higher without the Planned Unit Development approvals for Warm Springs Ranch Resort.

For any level of development beyond 30 units, there would be significant emergency access upgrades for all properties south of Warm Springs Creek, including at least two separate access/egress points. Any development options that may occur would undergo review from the Fire Department and other city departments prior to any approvals.

3. Public Process and Meetings

In total, there have been 25 public hearings or noticed workshops for the Warm Springs Ranch Resort. The entitlement process for the original Warm Springs Ranch Resort project started in early 2007 and concluded in late 2009. Since that time, there have been amendments to the development agreement that have required additional public input and meetings. The majority of these meetings took place in 2008 with several meetings between the Planning and Zoning Commission and the City Council. Up to August 2009, all meetings involved discussions on the PUD, Annexation, and Development Agreement.

4. Scale of Approved Development

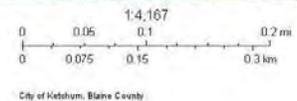
The Warm Springs Ranch Resort consists of 78.39 acres with 728,446 gross square feet of approved development, spread out over 8 Large Blocks (refer to Attachment 4, Large Block Plat). The area of highest density on the project is concentrated in Block 1 where the hotel and other mixed uses are approved. In this block, a maximum of 620,146 gross square feet is approved resulting in a Floor Area Ratio (FAR) of 1.43. Outside of Block 1, all other bloc

Warm Springs Ranch Resort Vicinity Map



July 6, 2016

Zoning



ks of the development were allowed up to 108,000 gross square feet of development, spread out over 64.67 acres for an average FAR of 0.037 over the remaining 7 blocks. The development limitations for each block are described below.

- **Block 1:** *Urbanized area north of Warm Springs Creek on 13.72 acres (597,643 sq.ft.).* This Block contained the previous Warm Springs Restaurant and tennis courts. The core hotel building (approximately 538,151 sq.ft.), the Workforce Housing (approximately 36,295 sq.ft.), and up to twenty-four (24) residential Townhomes (totaling approximately 52,800 square feet; without garages) were planned for this block. The maximum height approved for this block is 93 feet for the hotel with a minimum setback of 90 feet from the adjacent property line.
- **Block 2:** *Golf Course and Open Space Area 39.25 acres.* No structures were permitted for this block. This land area was planned for passive open space and portions of the proposed golf course with irrigation ponds. This block constituted a portion of the key area that will be used by the public for active recreation opportunities.
- **Block 3:** *Westerly Estate Lot on 2.79 acres.* This Block was planned for a single estate home site of approximately 5,900 square feet, including garages, with a building envelope of 0.54 acres (approximately 23,522 sq.ft.) with a minimum setback of 108 feet from the nearest adjacent property line.
- **Block 4:** *Residential on 2.89 acres.* Seven (7) residential villas (approx. 25,984 sq.ft.) were planned for development in this Block. Use restrictions were limited to single-family and duplex dwellings along with hotel and tourist housing accommodations with a minimum setback of more than 197 feet to the nearest adjacent property line.
- **Block 5:** *Residential on 2.40 acres.* Six (6) residential villas (approx. 22,272 sq.ft.) were planned for development in this Block. Use restrictions were limited to single-family and duplex dwellings, and hotel and tourist housing accommodations with a minimum setback of 197 feet to the nearest property line.
- **Block 6:** *Residential and Semi-Private Events on 4.5 acres.* The WSRR “Events House” (approx. 3,400 sq.ft.) and lawn area was proposed for the eastern portion of the Block. Twelve (12) residential villas (approx. 44,544 sq.ft.) were also planned for development in this Block. Similar to Blocks 4 and 5,

restriction to use will be limited to single-family, duplex dwellings, and tourist housing accommodations.

- *Block 7: Open Space on 10.37 acres.* No development was proposed in this area and it was to remain open space.
- *Block 8: Southern Estate Lot on 2.47 acres.* Similar to Block 3, this Block was planned for a single home site approximately 5,900 square feet, including garages, on 0.58 acres (approx. 23,552 sq.ft) with accessory uses and garages limited to 1,200 gross square feet and a setback of 102 feet.

5. Traffic Studies

The infrastructure requirements as detailed in the Amended and Restated Development Agreement were based on three traffic studies completed between 2008 and 2012. Two studies were commissioned by Helios Development and were conducted by Hales Engineering with assistance from Forsgren Associates Inc. The first study was issued on July 7, 2008 and projected traffic volumes for the development and building the appropriate infrastructure to accommodate the anticipated growth. The studies forecasted traffic impacts up to 2025 and all improvement were based on this project horizon date. Both studies were based on traffic counts conducted in 2008 by Hales Engineering. Based on the study horizon and traffic counts, pedestrian improvements, curb and gutter, turn lanes, expanded travel lanes, and numerous improvements at key intersections were recommended and adopted by the City with the Development Agreement.

In 2012, the traffic study was updated with information provided by a study commissioned by the City of Ketchum at the Lewis Street/Warm Springs Rd intersection. It was concluded that a roundabout could be accommodated at Lewis/Warm Springs, however additional land would be required. Since the city did not own adequate right-of-way to accommodate the roundabout, there was no requirement for Helios to build or fund the roundabout. The development agreement obligation for that intersection remained unchanged from the original language, however the study acknowledged that a roundabout would fully accommodate traffic needs. These studies are available with the Planning and Building Department.

Even though the 2012 study address some new areas, the study only projected impacts up to 2025. The extension request would allow for an initiation date in 2024, at which time the traffic study would be invalid. For this reason, staff does not accept the current traffic study and recommends the City Council request an updated study if the approvals are extended.

For specific street improvements, please refer to Attachment 2 of this report.

6. Community Benefits and Obligations

The following category list is a summary with the full details contained in the approvals for the project. This list has been expanded from the June 6 City Council meeting to reflect the Council questions and staff research. Attachment 2 contains more detail on the public benefit obligations and required follow through. The following is a summary of Attachment 2:

- A. **Fire Suppression Obligation.** Due to the classification of the core-hotel building as a “high-rise”, the development was required to pay \$400,000 for fire apparatus that can accommodate the 93-foot-tall hotel. Payment for this amount was to be negotiated “in good faith” between the parties and to occur when the need for the apparatus was required.
- B. **Warm Springs Creek and Riparian Restoration and Floodplain Restoration.** This requirement included sportsman access, restoration of the riparian and floodplain, a nature study “easement” and other details related to Warm Springs Creek. Other than applicable federal, state, and local regulations pertaining to waterways and floodplains, no other requirements are dictated by the development agreement.
- C. **Environmental and Wildlife Habitat Conservation Plan.** Angler access, public trails through the project, the construction of public trails, and a cash contribution towards the Bald Mountain Connector Trail were all required within this plan. In addition to the extensive trail and access requirements, this plan

was also designed to ensure that any impact to wildlife, both flora and fauna, were mitigated. There is no specific language in the development agreement or other approvals on how this plan was to be approved or a timeline for approval.

- D. Streets and Transit. An improved “standard” intersection required at the intersection of Warm Springs Road and Flower Drive along with significant improvements to Bald Mountain Road. Lighting, street, bridge construction, and drainage upgrades were also requirement in several areas. A bus stop was required to service the project. The intersection at Lewis/Warm Spring Road would have been redesigned to accommodate a traffic light and signal (not a roundabout), however the owner was only required to pay a proportionate cost for the intersection. In general, all street and transit improvements were required to be complete prior to approving the Final Plat for any re-subdivision of Block 1 and prior to issuance any certificates of occupancy. Unfortunately, timelines were not assigned to each improvement, leaving the interpretation open on some requirements.
- E. Water Rights. The development was required to transfer any irrigation water rights to the City of Ketchum, if it became necessary in the future. In addition, the project was required to allow the City of Ketchum to utilize any excess production that the project may have after servicing all water needs onsite. Prior to issuance of any building permits, all water right agreements must be approved by the City Council.
- F. Workforce Housing. 93 residential units for workforce housing was required by the project and was proposed to be built on-site. However, this was eliminated in the 2012 amendment to the development agreement and replaced with an in-lieu fee derived from real estate sales transfers. The amount approved in 2012 was 0.50% of Gross Sales with a minimum balance requirement of \$250,000. The initial contribution of \$60,000 was required within two months of the date of the certificate of occupancy for the hotel.
- G. Community Housing. Originally, the city and Warm Springs Ranch agreed to a real estate transfer fee of 1.50% of the gross selling price of each unit/lot along with a possible contribution from the Ketchum Urban Renewal Agency. This requirement was revised in 2012 and reduce to 0.50% of gross sales. In addition, the URA was required to match all transfer fee amounts from tax increment revenues.
- H. Community Education. The project agreed to providing educational programs to the public, however these were never finalized in the approvals and there is no timeline for approving or advancing this public benefit.
- I. Active Recreation. A public nine-hole golf course was required along with refurbishing of the tennis courts that were located on the property. There is no timeline requirement for providing this benefit.
- J. Recreation Contribution. Warm Spring Ranch agreed to paying \$500,000 to the City of Ketchum for replacement of the tennis courts, a skate park, a splash park, or other recreational needs within the City of Ketchum. \$115,000 was also required for building the Bald Mountain Connector Trail. Payment for the tennis court mitigation is tied to the certificate of occupancy for the hotel. The trail payment has an unclear timeline but generally obligates the City to initiate the request.
- K. Green Development Requirements. Warm Spring Ranch agreed to incorporating various energy efficient design standards into their final project along with behavioral changes such as the limited use of fertilizer, reduced water usage, and incorporating organic bedding and bath products in the hotel rooms. All “green” requirements would be reviewed during the typical design review process for each building.

7. Future Development Review

Design review is required for all future structures on Warm Springs Ranch Resort. The Design Review process requires a completed application which is reviewed by all development review staff and verified by the Planning and Building Department for consistency with the originally approved Planned Unit Development. After staff has completed their review of the project, the Planning and Zoning Commission would consider the proposal for approval. All structures submitted through Design Review must meet a list of design criteria that is specified in the Amended and Restated Development Agreement, Section 4.3.2.6. These criteria include Height and Bulk restrictions, Total Permitted Gross Floor Area, Building Blocks, Maximum Horizontal

Dimensions, Maximum Vertical Dimensions, Maximum Roof Lengths, Building Height, and Building Height Area Restrictions. All of these design parameters will be used when any structures apply for Design Review through the Planning and Zoning Commission. According to the Development Agreement, the first building permit application for the project must be for the hotel in order to initiate the entitlement timelines.

8. Revenue Impacts

Tax revenues from the Warm Springs project will be generated by property taxes and through Local Option Taxes (LOT). With the entire area of Block 1 included in the Revenue Allocation Area (RAA) for the Ketchum Urban Renewal Agency (KURA), the majority of property taxes would be collected by the KURA. The City of Ketchum would receive all LOT revenues from hotel rooms and retail sales but would also receive property taxes generated from Blocks 2-8. The following summarizes estimated financial impacts to the KURA and City of Ketchum for the Warm Springs Ranch Resort.

- KURA Revenues
 - o Annual Tax Increment Revenue: \$760,000-\$1,520,000
 - This value is based on an estimate \$1,181,408,000 of taxable improvements within areas of Warm Springs Ranch that fall into the Revenue Allocation Area. This also assumes that this value would build annually over time.
 - Staff believes this figure is not accurate for 2016 and recommends reevaluating this figure given the current economy.
 - o Original Projected Revenues: \$22,800,000 (based on the project beginning in 2011)
 - This value assumed an average revenue \$1,140,000 over a 20-year period. The current Urban Renewal area has 14 years remaining until termination.
 - This assumption is flawed because the URA district's timeline terminates in 2030.
 - o Revenues Based on a 2024 Extension
 - If the project were extended to 2024, the revenue period would be reduced to six years or less, based on when the project is assessed and taxable.
 - 6-Year Project Revenue (2024-2030): \$4,560,000-\$9,120,000
 - 5-Year Project Revenue (2025-2030): \$3,800,000- \$7,600,000
 - 2-Year Project Revenue (2028-2030): \$1,520,000- \$3,040,000
- City of Ketchum Revenues
 - o Annual LOT: \$35,588 (assumes average of \$250/room and 65% occupancy, 120 rooms)
 - Based on a 2011 initiation date, the city would have collected approximately \$142,352 by the end of 2016.
 - o Property Tax Revenues (Blocks 2-8 only): \$45,874-168,205 (assumes \$300-1100/square foot)
 - Based on a 2011 initiation date, the city would have collected \$183,496-672,820 in property taxes.
- Total revenue loss as a result of project delays
 - o Based on an initiation date 2011, the following summarizes the total revenues that were projected for the City of Ketchum and KURA but were not collected:
 - City of Ketchum: \$325,848- \$812,172
 - Ketchum Urban Renewal Agency: \$3,040,000- 6,080,000

9. Recreation Payments to the City of Ketchum

In addition to the public benefits required and described in the section above, Helios Development was required to pay specific amounts to mitigate negative impacts the development had made on the recreation amenities within Ketchum. These payments have not been made and are still required by the Amended and Restated Development Agreement.

- Tennis Court Mitigation. Section 6.2 of the Development Agreement requires the developer to pay \$500,000 to mitigate impacts from removed several courts that had existed on the project site. This

amount remains outstanding and would need to be paid by the developer in two installments. The first installment would take place when the certificate of occupancy is issued for the hotel and the second would occur on year thereafter. There is a discrepancy in the Development Agreement over the total amount of this obligation, Section 6.2 states \$500,000 and Section 16.2 states \$300,000.

- Trail Contribution. Section 8.7.1 of the Development Agreement requires the developer to pay \$115,000 for construction of the Bald Mountain Connect Trail. Payment schedule is tied to approval of a trail plan by the City of Ketchum.

10. Force Majeure provision of Development Agreement.

The Force Majeure clause was specifically negotiated in 2008 and, according to legal counsel, could be invoked by the applicant. However, this does not mean that Helios Development is entitled to an automatic extension with no facts to accompany a Force Majeure claim. The burden to substantiate this claim is on Helios Development to show that such conditions exist. To date, no information has been provided by Helios to support such a claim. Should information be provided by Helios Development, the city would hire an independent economist to review the assumptions and information and then the council would make findings based on the independent information. In this event, it is also up to the party asserting the applicability of the clause to show how long their performance will be delayed, rather than an arbitrary number. The city council can either accept the information as provided by the application or reject it based on other factors that the Council deems appropriate.

In summary, the Force Majeure clause could be imposed and it will be up to the city council to determine whether the applicant has adequately substantiated the reasons why the force majeure clause should apply and for how long the extension should be.

Background on Development Agreements

The Warm Springs Ranch Resort project began discussions with the City of Ketchum in early 2007. After a lengthy and involved public process, the initial Development Agreement was approved on August 11, 2009. This agreement entitled the project as approved under the Conditional Use Permit process as the Warm Springs Ranch Planned Unit Development, the Large Block Plat, and the Request for Annexation into the City of Ketchum. This agreement did not entitle the project to any Design Review approvals, which are addressed as separate approvals.

Between 2009 and 2012, the Development Agreement was amended three times with the most recent amendment approved by the City Council on April 2, 2012. This amendment extended the deadline from January 15, 2012 to August 2, 2016. The following summarizes the amendments approved from 2009 to 2012:

Original Agreement: August 11, 2009

- Two phases proposed with a maximum limit of ten years to complete both phases
 - o Phase I: Hotel, parking garage, golf course, restoration of Warm Springs
 - o Phase II: Residential components, ranch homes, pedestrian pathways
- Initiation of Phase I by submitting for a building permit was due August 11, 2011. The Phasing Plan deadline was also tied to this initiation date

1st Amendment: May 10, 2010

- Creation of a design review subcommittee to approve minor construction elements outside of the formal Planning and Zoning process
- Language was added regarding extension of the Water Rights Agreement and approval deadline of no later than October 1, 2010

2nd Amendment: January 18, 2011

- The “Performance Schedule” for all deadlines was created to require a “revised phasing plan” to the City no later than January 15, 2012. The performance schedule reassigned dates to all prior obligations with a date to initiate Phase 1 (hotel) for January 15, 2015 and a project completion dates of January 15, 2021.
- This amendment was the first to extend the prior approvals of the project beyond the original dates.

3rd Amendment: April 2, 2012

- Deadline for Phase I initiation was extended to August 2, 2016.
- Other deadlines in the “performance schedule” were revised accordingly.
- Final Project deadline for completion was set for January 15, 2021

Financial Impact

As a result of project delays and extension, foregone revenue lost to the City of Ketchum and the Ketchum Urban Renewal Agency has been significant and will continue each year the project is further delayed. In total, the project delays and extensions have cost the City of Ketchum \$325,848- \$812,172 in foregone revenue, based on a 2011 initiation date. For the KURA, the foregone revenue cost is more significant at \$3,400,000 - \$6,080,000. If the project is extended to 2024, the loss to the City would be \$1,059,006 - \$2,649,309 and the loss to the KURA would be \$9,880,000 - \$19,760,000. In addition to the direct financial impacts, a project of this scale requires significant staffing resources each time the project is reevaluated or researched for any given purpose. These indirect costs are not recovered by any general revenue generated from the project.

Summary

The Warm Springs Ranch Resort was a significant undertaking by the developer, Helios Development, and the City of Ketchum in 2009. Since that time, the development has not been able to initiate the project and requests an eight-year extension of all approvals from August 2016 to 2024. If this extension is denied, the Council must determine whether the zoning should revert to the zones that existed prior to the Planned Unit Development. If the extension is granted, the City Council should consider requiring specific timelines for the community benefits, request a new traffic study to replace the outdated study on file, request a revenue analysis based on current economic factors, and reconsider all water, sewer, and street recommendations based on current conditions within the City of Ketchum. All of these additional studies and research can be detailed within a revised Performance Schedule, which appears in Section 6.7.1 of the Amended and Restated Development Agreement.

Recommendation and Motion

Staff recommends the council consider the facts presented and determine whether the Warm Spring Ranch Resort Development Agreement should be amended to allow for an extended deadline for initiating the project.

Attachments:

1. Buildout and Potential Development of WSRR without Entitlements
2. Public Benefit Obligations
3. Condensed zoning map and aerial showing the current zoning of the project as approved by the Development Agreement
4. Warm Springs Ranch Resort PUD Large Block Plat
5. Letter from Helios Development LLC dated July 6, 2016
6. Letter from Helios Development LLC dated January 11, 2016
7. Proposed First Amendment to the Amended and Restated Warm Springs Ranch Resort Annexation and Development Agreement.
8. Public comment letters (as submitted by July 12, 2016)

Attachment 1

Warm Springs Ranch Resort Development Potential

Block	Previous Zoning	Current Zoning	Acres	Buildable area per block, per plat notes (building envelope or area less roadways and mean high water), acres	GR-L zoning, maximum density - number of units (assumes 10.89 units per acre with a PUD and 35% open space required) or maximum developable FAR square footage with Community Housing incentive	Current zoning, base FAR square footage and/or units potential per plat notes and/or platted building envelope	Current zoning, maximum FAR square footage and/or units potential with Community Housing incentive	Development Agreement and PUD approvals for Warm Springs Ranch
1 (all)	T and GR-L	T and GR-L	13.720	9.979	See Block 1-T and Block 1-GR-L zone notes	See Block 1-T and Block 1-GR-L zone notes	See Block 1-T and Block 1-GR-L zone notes	620,146 gross square feet, excluding underground parking + 5% flex footage. All uses shall be industry standard hospitality-related. Maximum FAR is 1.43, excluding all roadways and lands below the Mean High Water Mark, excluding underground parking and Flex Footage
1 (T zone)	T	T	9.979	6.723	695496.38 sq. feet	146433.50	468587.2	See note above.
1 (GR-L zone)	GR-L	GR-L	3.741	3.256	26.5 units	17 townhomes	17 townhomes	See note above.
2	County; designated for GR-L per Area of City Impact (ACI) agreement	RU	39.254	0.000	277.9 units	0	0	Golf practice facility. No structures other than those related to golf course operations or passive recreation. No further subdivision of Large Block.
3	County; GR-L per ACI	T	2.788	0.540	19.7 units	11761.2	37635.84	Maximum 1 single family home with 2 ADUs
4	County; GR-L per ACI	T	2.894	2.894	20.5 units	63032	201702.4	See note for Block 6.
5	County; GR-L per ACI	T	2.401	2.401	17.0 units	52283.5	167307.2	See note for Block 6.
6	County; GR-L per ACI	T	4.495	4.495	31.8 units	97905.5	313297.6	120,000 square feet of villas, events house and related improvements total for Blocks 4, 5, and 6.
7	County; GR-L per ACI	RU	10.367	0.000	73.4 units	0	0	No development. Pedestrian access and public uses such as hiking, jogging, Nordic skiing, snowshoeing, picknicking and similar passive recreational activities.
8	County; GR-L per ACI	T	2.475	0.380	17.5 units	8276.4	26484.48	Maximum 1 single family home with 2 ADUs
Total			78.394		484.2 units	379692.1	1215014.72	728,446 gross square feet exclusive of underground parking

Conclusion

Original approval, total developable gross square feet, exclusive of underground parking	Maximum development potential, current zoning and plat notes and no Development Agreement
728,446	1,215,014

Attachment 2

Public Benefit	Description	Subject to
4. Conditions of Development		
4.5 Fire	<p>1. Due to the classification of the core-hotel building as a high-rise building under the 2006 International Building Code (which Code has been duly adopted by Ketchum), Owner shall share proportionally in the estimated \$400,000 increase in fire apparatus costs of Ketchum over amounts within Ketchum's Capital Improvements Plan on the Effective Date, which increase is attributable to the need for a new ladder truck to access the upper floors of the core hotel building.</p> <p>2. Reference to the 2006 International Code in this Section does not limit the application of the 2006 International Code, or its future amendments, to building permits or other construction requirements for the PUD Property.</p>	<p>1. Owner and Ketchum agree to negotiate in good faith the amount of said funds and the due date for payment which shall be coincident with the date the fire apparatus is required for Owner to be eligible for a building permit for the portions of the core-hotel building classified as a high-rise building.</p> <p>2. Any funds expended by Owner for this purpose shall be subject to reimbursement from any new high-rise building, as defined in the 2006 International Building Code, in Ketchum approved after the Effective Date, for a period up to twenty (20) years. Ketchum shall account to Owner upon request for any moneys expended or received in connection with said apparatus or this Agreement.</p>
7. Warm Springs Creek and Riparian Restoration; Floodplain Management		
7.3 Fisherman/Sportsman Access & Nature Study Center	1. Construct 10' fisherman/sportsman access and nature study easement from MHW on Warm Springs Creek, open to the public at all times in accordance with Idaho Department of Fish and Game regulations, with the exception of periodic closures for riparian work.	1. All applicable federal, state, and city permitting
7.6 Habitat and Flood Management	2. A portion of the PUD property shall be designed to accommodate flooding with minimal depths and velocities over the golf course	
7.7 Riparian Restoration Master Plan	<p>1. Shall include a detailed stream, riparian corridor, wetlands, and floodplain design and plan</p> <p>2. Shall detail the stream and riparian restoration process and procedures, including but not limited to: construction schedule for all in-stream activities; schedule for and analysis of all proposed herbicide use; delineation of vegetation to be preserved; erosion and sedimentation control plan; planting plan and schedule; and schedule for work impacting properties adjacent to the stream with adequate notice to said property owners</p>	1. Waterways Design Review required.
8. Environmental Plan		
	<p>1. Owner shall prepare, as part of Design Review, an Environmental Plan and Tree Preservation Plan that incorporate wildlife habitat preservation/conservation and flora/fauna preservation/conservation.</p> <p>2. Shall include landscape buffering and lighting restrictions to minimize the impact on wildlife passage through Large Block 8 post-development.</p>	
8.1 Fishing Access	<p>1. Owner, at its sole expense, will provide at least 1 access that complies with ADA requirements for fishing of Warm Springs Creek</p> <p>2. Owner will, subject to rules and regulations, allow pedestrian access for fishing along the entire reach of the PUD property</p>	
8.2 Cultural Heritage Preservation	<p>1. Owner agrees to compile a written historic context narrative of the Warm Springs Ranch property, including copies of historic photographs. A copy of the narrative will be provided to the Ketchum Community Library.</p> <p>2. Owner will create an interpretive brochure with a map and historic photographs of the Warm Springs Ranch; brochure will be made available to guests</p> <p>3. Restaurant and other public locations will exhibit larger color copies of historic photographs of Warm Springs Ranch on its walls.</p>	
8.3 Conservation Values	1. Where reasonably practical renewable energy heating and cooling systems, alternative energy vehicles, passive solar design, water conservation measures and sustainable building materials will be used in construction.	

8.4 Landscaping and Irrigation	<ol style="list-style-type: none"> 1. Sustainable design that preserves and enhances the native landscape and preserves existing substantial trees will be incorporated in landscaping. Landscaped areas subject to this are the golf course/event zone, native (riparian, alpine forest, upland and transitional) zone, and private enhanced zone. 2. Irrigation systems for all landscapes zones shall be, to the greatest extent possible, water efficient, in-ground, and use rotor and drip irrigation. 3. Monitoring technology shall be used to regulate irrigation rates to conserve water. 	
8.5 Weed Management	Noxious weed control program shall be implanted during pre-and post-development phases	
8.6 Storm Water Management Pollution Prevention Plan and Best Management Practices	<ol style="list-style-type: none"> 1. Storm Water Management Pollution Prevention Plan shall be developed using BMPs required by local, state and federal laws and regulations prior to construction. Plan shall be implemented. 2. A water quality monitoring plan shall be developed to monitor pre-construction, construction, and post-construction water quality in Warm Springs Creek. 	
8.7 Trails Construction and Access	<ol style="list-style-type: none"> 1. The public, subject to owner's reasonable rules and regulations, shall have access to the following trails within the Project: <ol style="list-style-type: none"> a. Existing Bald Mountain trail system; b. Existing multi-use pathway along Warm Springs Road (which provides a link to the Heidelberg Trail connecting to Adams Gulch) c. Multiple access points for fishing that are adjacent to the Warm Springs Stream. 2. Owner shall further provide a pathway or sidewalk along Townhouse Land and "Private Road #3" to the bridge crossing to provide a means for Townhouse residents to access the Project's trail system and safely access the existing multi-use path adjacent to Warm Springs Road. 3. Existing multi-use trail adjacent to the north side of Warm Springs Road shall be re-aligned to a safe location for crossing the north leg of the proposed roundabout or intersection at Warm Springs Road and Flowers Drive. 	
8.7.1. Cash Contribution for Trails	1. Owner agrees to a contribution of up to \$115,000 to Ketchum for environmental review, design, and construction of the Bald Mountain Connector Trail.	<ol style="list-style-type: none"> 1. Development of trail in collaboration with Owner, Ketchum Parks and Recreation, and Bigwood Backcountry Trails 2. Ketchum's written request to Owner following Ketchum's development and approval of a master plan for the Bald Mountain Connector Trail, which will include a decision on the location of the trail and a budget and schedule of completion for any work of improvement.
9. Infrastructure Improvements		
9.1 Utilities	1. All off-site utilities, including but not limited to the water pump upgrade, well, and sewer upgrade, must be completed as specified in the PUD findings.	
10. Streets, Bridges, and Transit		
1. Owner shall install all private access ways and bridges across Warm Springs as shown on the PUD plan. Owner shall be responsible for year-around maintenance of private roadways, driveways, pedestrian pathways, trails and similar accessways, including, without limitation, snow removal to maintain access and parking as well as emergency vehicle turnaround.		
10.1 Warm Springs Road Improvements	1. Owner shall construct a standard intersection at Warm Springs Road and Flower Drive prior to final plat approval of resubdivision of Large Block 1 and/or prior to issuance of any C.O. for the project.	
10.2 Bald Mountain Road Improvements	1. Bald Mountain Road shall be reconstructed as part of Private Road #1 as shown on the PUD Development Plan. Ketchum acknowledged vacation of a portion of Bald Mountain Road may be required.	1. Owner and Ketchum acknowledge the r-o-w is narrower than usual, and may post a risk of damage to adjacent properties from maintenance, repair and/or snow removal. Owner and Ketchum therefore agree to negotiate in good faith protocols for maintenance, repair and snow removal ("Protocol Plan"). Protocol Plan is subject to approval by Council on the same timeline and in the same manner as the Phasing Plan.

	2. Ketchum shall maintain r-o-w after acceptance; owner shall have the right, but not the obligation, to enter upon the new r-o-w to maintain and repair to a standard higher than Ketchum's.	
10.3 Lighting	<ol style="list-style-type: none"> 1. All lighting shall comply with Dark Skies; must use Ketchum Streetscape Lighting Standards. 2. Lighting to be installed at time each large block is developed 3. Lighting in riparian areas, wetlands, wildlife corridors and remote areas shall be eliminated or minimized. 	1. Specific lighting and mitigation measures for wildlife protection in sensitive areas will be addressed at Design Review.
10.4 Street, Roadway, and Pathways Standards	<ol style="list-style-type: none"> 1. All internal streets, roadways and walkways shall be constructed per the PUD Development Plan and Large Block Plat. 2. No on-street parking permitted; parking lots and areas outside the required clear width will be provided. 	1. All roadways in the 40' r-o-w-s shall be either 26' (all roadways surrounding the core hotel area, include curb and gutter) or 20' (all other roadways throughout the development, rural with gravel shoulders and drainage ditches)
10.5 Townhouse Land Easement	1. Owner shall provide an easement to the Warm Springs Ranch Townhome Condominium Association for ingress and egress to Townhouse Lane.	
10.6 Bridge Approval	1. New bridge crossings adjacent to the hotel across Warm Springs Creek, 1 vehicular and 1 or 2 pedestrian, will have footings outside the ordinary high water mark, will be designed to convey the 100 year flood	1. Waterways Design Review and federal / state permits required.
10.7 Transit	<ol style="list-style-type: none"> 1. Owner will work with Mountain Rides to establish and provide transit service to the property. May include: <ol style="list-style-type: none"> a. Shuttle service to/from airport b. Demand based/ on-demand shuttle service for guests, to and from city center c. Current bus service 2. Nothing will restrict owner from providing additional transportation independent of Mountain Rides. 	1. Ketchum acknowledges conversations between Owner and Mountain Rides are ongoing and service may be implemented when feasible.
10.7.1. Bus Stop	1. Bus stop shown on PUD shall be constructed by owner and approved by Ketchum.	1. Lighting shall be approved through Design Review.
10.8 Streets and Bridge Assurances	<ol style="list-style-type: none"> 1. Owner shall enter into a Road Security Agreement with Ketchum; owner shall provide financial assurance acceptable to Ketchum (bond, letter of credit, etc.) in an amount to be established, to mitigate all material impacts to road in Ketchum, including those to the street and roadway network valued by construction traffic during Project build-out. 2. Ketchum's engineer shall deliver to Owner a written request for mitigation describing in detail the material impacts to Ketchum's roads and the estimated costs of repair. Owner's engineer shall meet and confer with Ketchum's engineer in an attempt to agree on required mitigation and associated costs. In event engineers are unable to agree they shall select a third engineer who shall be required to select either the position of Ketchum's engineer or Owner's; decision of third engineer shall be finding. 	
10.9 Signage Plan	1. Signage Plan for all roadways, pedestrian, public access and other signs in a particular phase shall be submitted prior to issuance of any C.O. for buildings constructed in that phase.	1. Signage Plan shall be approved by staff, or by the Commission if determined by staff.
10.10 Lewis Street/ Warm Springs Road Intersection	1. Owner shall pay Ketchum a proportionate amount of the cost of installation of a traffic light/signal at the intersection of Lewis Street and Warm Springs Road, and associated redesign of said intersection.	<ol style="list-style-type: none"> 1. Owners proportionate amount of cost shall be calculated by multiplying the cost by a fraction the numerator of which is the additional vehicular trips resulting from the project and the denominator of which is the sum of existing vehicular trips plus the additional vehicular trips resulting from the Project. 2. The existing and additional vehicular trips shall be determined by Hales Engineerin 3. Owner's payment shall be made within 60 days after receipt of a written notice from Ketchum that it has immediately available funds to pay its allocate portion of the work and has engaged one or more contractors to perform the work during the ensuing 180 days.
10.11 Snow Storage	1. Owner shall develop and submit for approval during Design Review a plan for removal, or storage, of snow, within Project.	
11. Water		

11.1 Water System Improvements	<p>1. Owner shall engineer, construct, and extend, at its sole expense, the municipal water system improvements throughout the PUD and relocate the muni water main currently running through the PUD property as set forth in the PUD Development Plan.</p>	<p>1. Owner and Ketchum shall cooperate to ensure all necessary water rights are secured by Owner for the water system and that the water system can be permitted and operated in conjunction with the existing and planned water facilities of Ketchum, 2. Wherever feasible, Owner and Ketchum agree to cooperate as appropriate on development and operation of facilities such as storage reservoirs, emergency back-up power generators, and similar facilities. 3. The phasing of the Project's development shall dictate the location and construction of the water system components.</p>
11.2 Completion of Improvements		<p>1. Ketchum shall not issue any building permits for any phase prior to completion of the components of the water system sufficient to provide portable water and fire flow protection for that phase of the Project 2. Ketchum shall not issue any Certificates of Occupancy for any phase prior to completion of the water system and irrigation facilities for service of that phase.</p>
11.3 Water Service	<p>1. A complete detailed potable water system design shall be developed and submitted for review and approval by the City Utilities Department and the City Engineer. The water system shall include all of Owner's ground water rights appurtenant to the PUD Property</p>	<p>1. Ketchum, at its sole expense, shall be responsible for the operation and maintenance of the water system and periodically set water rates to cover said expenses as required by applicable laws and regulations. Owner agrees to pay the applicable water rates. Ketchum shall provide water service to the PUD Property from the water system on the same priority basis as Ketchum provides water to other residents and businesses in Ketchum under ordinances in place on the Effective Date.</p>
11.4 Installation of Water Main	<p>1. Owner shall, at its sole expense, install a twelve-inch (12") water main to connect the twelve-inch (12") water main on Warm Springs Road to the lower twelve-inch (12") water main along Warm Springs Creek.</p>	
11.5 Variable Frequency Drive ("VFD") Reimbursement	<p>1. The parties acknowledge that in the original review of the redevelopment of the PUD Property proposed by Owner's predecessor, in 2005, it was recommended that a VFD be installed on the 150 hp booster pump at the Warm Springs Booster Station in order to help mitigate the fluctuations of pressures in the Warm Springs area until such time as a future water storage tank could be installed at the upper end of Warm Springs. Under that previous review it was determined that the addition of this development would decrease the pressures by up to 8 psi in the Warm Springs area under high demands when the upper end of the Warm Springs area is currently operating near minimum required pressure. As such, in 2006 Ketchum installed, at a cost of \$40,000.00, the vfd at the Warm Springs Booster Station.</p>	<p>1. Ketchum agrees to provide Owner with a detailed accounting of the cost of the vfd. 2. Owner hereby agrees to reimburse Ketchum \$40,000.00 for the cost of installation of the vfd, which shall be paid in full within sixty (60) days after Ketchum's approval of the Phasing Plan.</p>
11.6 Additional Water Supply and Storage	<p>1. Subject to the provisions of Section 11.7 herein, Owner shall, at its own expense, obtain necessary water rights, develop a well (or wells, as necessary) and water storage facilities designed to meet all municipal well and water storage requirements to serve the entire PUD Property in accordance with the Ketchum water facility plan/policies and all applicable laws and regulations and transfer said water system improvements to Ketchum</p>	
11.7 Reimbursement	<p>1. Such Water Reimbursement Agreement shall extend for a sufficient period of time following completion of the portion of the water system for which reimbursement is sought, with such time to be mutually agreed between Owner and Ketchum but in no event less than five (5) years nor more than twenty (20) years.</p>	<p>1. Ketchum shall reimburse Owner proportionate cost of improvements described in 11.6, from service connection charges, if property owners outside PUD are served by improvements described in 11.6 ("Water Reimbursement Agreement")</p>

2. Such Water Reimbursement Agreement shall provide, in part, that: (i) interest be paid to Owner at the then applicable municipal bond rate; (ii) Ketchum may charge benefited property owners other than Owner a reasonable administrative fee for handling the accounting, auditing, and payment of the reimbursement payments made to Owner; (iii) the Water Reimbursement Agreement shall be binding on Owner and Ketchum and their respective successors and assigns; and (iv) the Water Reimbursement Agreement may be recorded as an encumbrance against the benefited property(ies). In the event that the Parties are unable to agree on the terms of the Water Reimbursement Agreement, Owner shall have no obligation under Section 11.7 herein.

11.8 Municipal Irrigation Water System

1. Ketchum and Owner acknowledge that the irrigation, aesthetic, and fish propagation water rights appurtenant to the Project (the "Water Rights") may require transfer to Ketchum to provide maximum benefit to the Parties. Ketchum and Owner agree to negotiate in good faith a separate agreement addressing any such transfer (the "Water Rights Agreement"), which agreement should address, at a minimum, the following: (1) whether Owner's attorneys or Ketchum's attorneys will pursue the Water Rights decrees with the IDWR and/or in the Snake River Basin Adjudication; (2) if Ketchum's attorneys pursue the Water Rights, a reimbursement schedule for Ketchum's costs and fees incurred; (3) consideration for such transfer, which may include an agreement by Ketchum to provide irrigation and/or non-potable water adequate to meet the Project's irrigation and aesthetic needs; and (4) construction and maintenance of the irrigation system.

1. The Water Rights Agreement shall be subject to approval by the Council prior to issuance of any building permit or preliminary plat, whichever comes first.

11.9 Drainage

1. Drainage system plans shall be submitted to the City Engineer for review and approval prior to the City Engineer signing the first final plat. The plans shall show how swales, or drain piping, will be developed in the drainage easements.

1. The approved drainage system shall be constructed in the first phase of construction.

11.10 Geothermal Water Use

1. Owner and Ketchum agree that if geothermal water becomes available to either party, a use agreement, if practicable, may be negotiated between them for use of said water consistent with applicable local and state laws and regulations.

12. Municipal Sewer System

12.1 Sewer System Improvements

1. Owner shall engineer, construct and extend, at its sole expense, the municipal sewer system throughout the PUD and relocate the municipal sewer main currently running through the PUD Property as set forth in the PUD Development Plan

12.2 Flow Analysis Contribution

1. Owner shall contribute to the reasonable cost of performing a flow analysis of the existing sewer trunk lines up to \$15,000

1. The contribution shall be made within sixty (60) days after approval of the Phasing Plan.

13. Workforce Housing

1. In lieu of the Workforce Housing requirement under the City Code, Owner shall establish a dedicated Workforce Housing Fund ("Fund") with revenue derived from Owner's Gross Sales (as defined below). The amount of revenue would be one-half of one percent (0.50%) of Gross Sales such that the Fund maintained a minimum balance of \$250,000.

1. Owner agrees to make an initial contribution of \$60,000 to the Fund within two months after the date of the certificate of occupancy for the hotel referenced in Section 4.3.2.

2. In the event that a \$250,000 balance in the Fund is not required to meet the foreseeable needs of Eligible Hotel Employees, as reasonably determined by the City, the minimum balance shall be reduced or suspended accordingly

2. The Fund shall be administered by the Blaine County Housing Authority ("Authority"), or other nonprofit housing organization designated by the City and approved by Owner.

1. The Owner, City and the Authority shall mutually agree upon the administrative costs, policies and procedures for the Fund, and all amendments thereto, after the issuance of a building permit for the hotel structure and prior to the issuance of a certificate of occupancy for said hotel.

2. The Authority shall maintain the Fund in a segregated account (“Workforce Housing Account”) used solely for the benefit of Eligible Hotel Employees (as defined below) and structured to provide Eligible Hotel Employees residing in the City assistance at a ratio 5% greater than assistance for rent outside the City. Assistance payments shall not be made to Eligible Hotel Employees but rather to landlords, lenders or other third parties providing the housing to the Eligible Hotel Employee.
3. Owner shall furnish to the City a statement of Gross Sales within fifteen (15) days after the end of each calendar quarter, and an annual statement of Gross Sales within twenty (20) days after the end of each calendar year. Each statement shall be signed by Owner or its authorized representative. Owner shall keep full and accurate books of account, records, cash receipts, and other pertinent data showing its Gross Sales.
4. City shall be entitled within one (1) year after expiration or termination of a statement period to inspect and audit all of Owner’s books of account, records, cash receipts, and other pertinent data relating to Gross Sales, so City can ascertain Owner’s Gross Sales. Owner shall cooperate fully with City in making the inspection. If the audit shows that there is a deficiency in the payment of any moneys to the Fund, the deficiency shall become immediately due and payable. The costs of the audit shall be paid by City unless the audit shows that Owner understated Gross Sales by more than five percent (5%), in which case Owner shall pay all costs of the audit. City shall keep any information gained from such statements, inspection, or audit confidential and shall not disclose it other than to carry out the purposes of this Agreement.

14. Community Housing Fund; Real Estate Transfer Fees

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| <ol style="list-style-type: none"> 1. The Community Housing requirement, per the definition of “hotel” in Ketchum City Code, is hereby waived in lieu of the following: Ketchum and Owner mutually agree to establish a dedicated Community Housing fund with revenue derived from: | <ol style="list-style-type: none"> 1. Urban renewal agency (“URA”) tax increment revenue derived from the Project; and (2) a voluntary real estate transfer fee to mitigate Community Housing impacts from the Project. In the event the URA does not agree to participate in creating the Community Housing Fund, Ketchum and Owner shall establish said fund absent URA’s participation. 2. A voluntary real estate transfer fee to mitigate Community Housing impacts from the Project. In the event the URA does not agree to participate in creating the Community Housing Fund, Ketchum and Owner shall establish said fund absent URA’s participation. |
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14.1 Transfer Fees

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| <ol style="list-style-type: none"> 1. In order to fund the Community Housing fund, Owner hereby grants to Ketchum a license to charge at the time of conveyance one-half of one percent (0.50%) of the Gross Selling Price of a Lot or Unit within the Project (the 2. Said license runs with the land and is irrevocable absent Ketchum’s prior written approval upon a duly noticed public meeting and public hearing to so amend this portion of this Agreement. 3. The Transfer Fee shall be determined based upon the “Gross Selling Price” of the Lot or Unit. The Gross Selling Price shall include the total cost to the purchaser of the Lot and of the improvements thereon, or the Unit; including, without limitation, all residential or commercial buildings, but excluding personal property, commissions, title insurance premiums, escrow fees, assessments, dues, taxes and title transfer fees | <ol style="list-style-type: none"> 1. All Transfer Fees shall be paid at the closing of the transfer and if not paid shall be a continuing lien upon each Lot or Unit total paid. For the purposes of this subsection, the sale or transfer of a Lot or Unit shall mean the transfer of fee title to a Lot, or a leasehold interest or other possessory right in a Unit exceeding sixty (60) months cumulative, in duration. The Transfer Fee shall be collected and paid to Ketchum by the escrow agent engaged to close the purchase and sale transaction. |
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2. Monies obtained from such Transfer Fee shall be placed in a segregated interest bearing account (the “**Ketchum Community Housing Fund**”) and may be used by Ketchum, in its sole discretion, to assist valley residents with a purchase of a home in Ketchum, including but not limited to: (1) mortgage down payment assistance; (2) permanent affordability of existing community housing units in Ketchum; and (3) other tools to increase the community housing base in accordance with standards acceptable to Owner.

4. Ketchum acknowledges and agrees no Transfer Fee shall be due upon a bulk sale of Lots by Owner to a merchant builder, or upon the transfer of a Lot or Unit to a related party which shall include (i) an entity owned at least 51% by the transferor, (ii) the holders of at least 51% of the ownership interest of a transferor which is an entity, and (iii) a family trust, partnership, or other entity comprised of persons related to the transferor. Nothing herein shall be deemed or construed to relieve the merchant builder or other exempt transferee from the obligation to pay the Transfer Fee upon a subsequent sale of the subject Lot or Unit.

1. Owner acknowledges and agrees that the Transfer Fee provisions of this Agreement are enforceable by specific performance even in the event said fee may be deemed unlawful or unenforceable by a court of competent jurisdiction.

14.2 URA Revenue

1. Ketchum shall pay to the Ketchum Community Housing Fund an amount equal to the Transfer Fees deposited by Owner in the Ketchum Community Housing Fund with URA revenues from the Project as long as Ketchum receives URA revenue from the Project.

1. If the URA does not agree to participate in creating the Ketchum Community Housing Fund, Ketchum may, in its annual appropriations, contribute to said fund.

2. If Ketchum or URA decides not to appropriate funds for the Ketchum Community Housing Fund in any fiscal year, no penalty or obligation to do so is levied upon Ketchum.

3. In the event Ketchum or the URA decide not to appropriate funds for the Ketchum Community Housing Fund in two (2) consecutive fiscal years, then in that event, notwithstanding any contrary provision of Section 14.1, Owner shall have the right, but not the obligation, to redirect future transfer fees to another housing related non-profit Ketchum community organization, provided, however, that the Ketchum City Council shall have the right to approve such alternate community housing organization. Ketchum’s right of approval granted in this Section shall not be unreasonably withheld, delayed or conditioned.

2. Owner shall be entitled to an accounting of the Ketchum Community Housing Fund annually and at other times upon reasonable request.

15. Community Education

1. In keeping with Ketchum’s desire to promote and encourage local, “hands-on” opportunities for persons enrolled in higher education programs related to the hospitality and tourism industries, Owner agrees to investigate opportunities for establishing such educational programs or services, which may include on-site college courses or internships on the PUD Property.

16. Active Recreation

1. Owner, at its sole expense, shall construct trails and pedestrian paths as set forth in this Agreement and in the PUD Development Plan.

16.1 Local Golf Program

1. Owner shall construct a golf practice facility (“Facility”) as depicted on the plan attached hereto as Exhibit “K”. The Facility shall be open to the public and shall include a “Locals Golf Program” consisting of the following:

a. (i) the Facility will have “locals” pricing of no less than 20% off the regular resort rate; (ii) the peak hours for the golf course will be 8:00-10:00 a.m. and 4:00-6:00 p.m., and the peak golf season will be from June 20 to Labor Day (shoulder season will be from opening day to June 20 and Labor Day to closing day); (iii) one tee time is considered a group of no more than four (4) golfers, and the pro shop will reserve the right to pair local golfers to create more efficient tee times; (iv) tee times for Locals will be published seasonally in the local newspaper and made available on-line; and (v) walkers will be permitted. The Locals Golf Program may include one or more of the following special

- b. Weekday Rules for Peak Season. Locals will be allowed to have access to the golf practice facility, or portions thereof, every day during the week. Local access will be limited to two (2) tee times back to back per hour during the peak hours of every day of the week. For the remainder of the day, locals will be allowed up to three (3) tee times per hour. Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to three (3) tee times during peak hours and up to four (4) tee times during non-peak hours.
- c. Weekend Rules for Peak Season. Locals will be allowed to have access to the golf practice facility both days of the weekend. Local access will be limited to two (2) tee times per hour during the peak hours of Saturday and Sunday. During non-peak hours, locals will be allowed up to three (3) tee times per hour. Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to three (3) tee times during peak hours and four (4) tee times during non-peak hours.
- d. Weekday and Weekend Rules for Shoulder Seasons. Locals will be allowed three (3) tee times per hour during peak hours. During non-peak hours, locals will be allowed up to five (5) tee times per hour. Locals may call the day before, after 5:30 p.m., and if tee times are open, they will be allowed to occupy up to four (4) tee times during peak hours and five (5) tee times during non-peak hours.”
- e. Access Restrictions. Owner may reasonably restrict access to the golf practice facility to conduct golf school(s) or other formal instruction.

16.2 Recreation Contribution

- 1. Owner agrees to pay \$300,000 into a recreation mitigation fund to be established by the City to mitigate impacts from the Project to active recreation, as reasonably determined by the City.
- 2. Owner may impose a guest fee to recover all or some of the recreation contribution set forth herein.

- 1. The payment shall be made in two installments of \$150,000 each.
- 2. The first installment payment shall be made at the time that the certificate of occupancy is issued for the hotel described in Section 4.3.2, and the second installment payment shall be made within one year thereafter.
- 3. Owner shall furnish the City with a bond, letter of credit, set-aside letter or other security for the payment obligation.

17. Electric Power

- 1. All electric power on-site serving the Project shall be underground, with the exception of pad-mounted transformers and other facilities necessary to underground power facilities. Owner acknowledges the Franchise Agreement between Ketchum and Idaho Power Company prohibits above ground installation of new electric transmission lines.
- 2. Owner agrees to pay a proportionate share of the cost of undergrounding electric power lines off-site along Warm Springs Road to accommodate construction of the Project, including the roundabout at Warm Springs Road and Flowers Drive.
- 3. Ketchum acknowledges that upgrading and undergrounding the electric power lines is beneficial to the general public and properties other than the PUD Property.

- 1. Ketchum and Owner shall, in good faith, negotiate an agreement to the effect that the portion of the costs in connection with such development of the electric power lines benefitting properties other than the PUD Property shall be paid by the following, in order of preference: (1) the franchise agreement fund; (2) a local improvement district (“LID”) formed by Ketchum for that purpose; (3) by URA funds; (4) Ketchum general funds; or (5) reimbursement to Owner from the service connection charges collected from such other benefited property owners who otherwise have not paid or contributed their proportionate share toward upgrading and undergrounding the electric power lines.
- 2. In all instances, these preferences are subject to Council or URA Board approval and appropriation which shall be made in accordance with State law.

18. Green Development

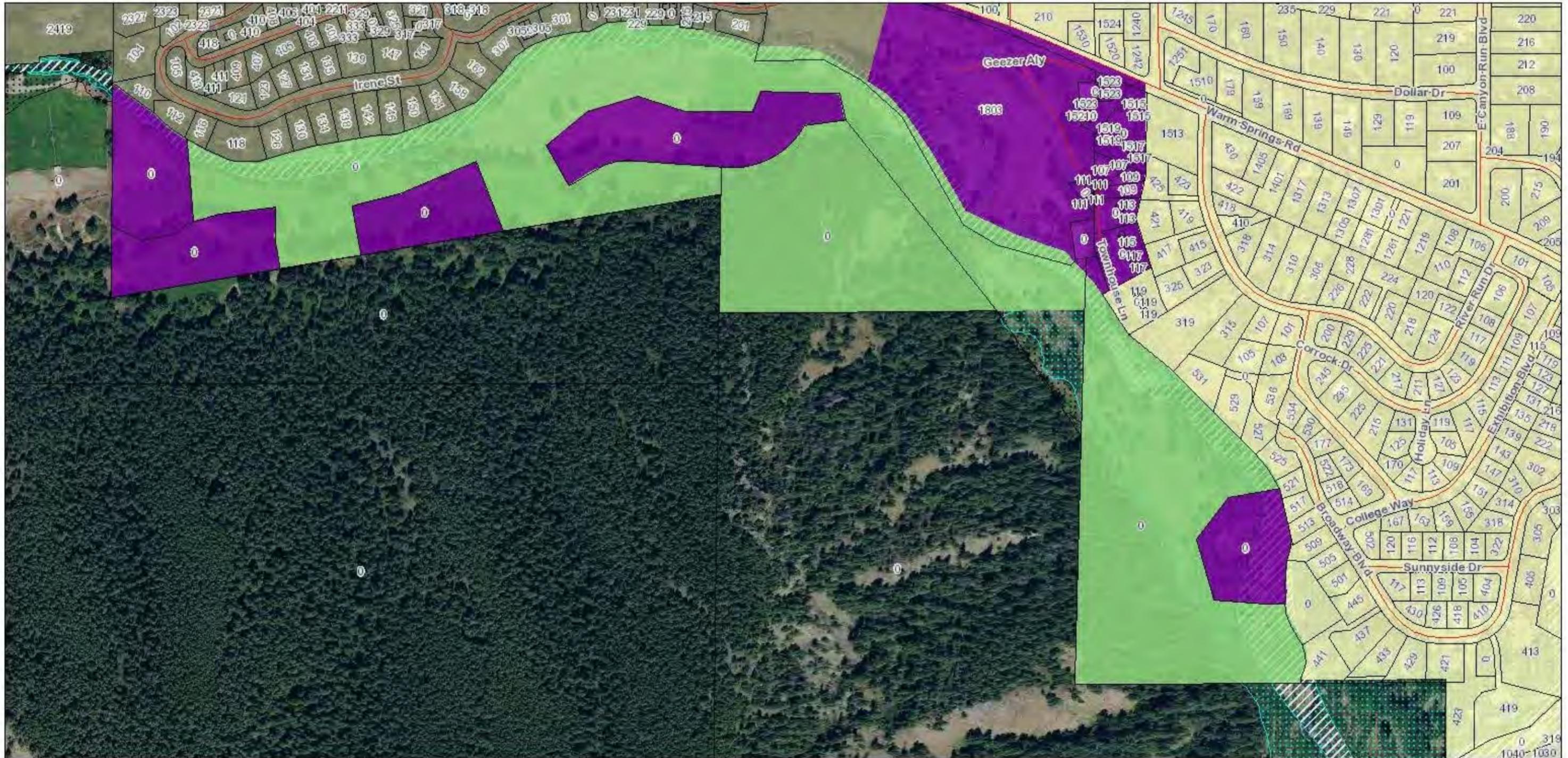
- 1. Owner intends to employ the following “green” building concepts, alone or in combination, in some or all of the Project, which will be more fully described in Design Review:

- 1. Subject to Design Review

- (i) passive solar design,
 - (ii) natural and non-toxic materials
 - (iii) indoor water features, electro-magnetic and radon mitigation,
 - (iv) regional and renewable building materials, including Douglas Fir timber from fuel reduction onsite,

 - (v) energy efficient radiant heating and cooling systems, including geothermal water, if available to Owner, and ground source heat pump systems
 - (vi) appropriate amounts of living plants
 - (vii) water use reduction of laundry activity
 - (viii) minimizing fertilizer and pesticide usage on the golf course
 - (ix) and providing organic bedding and bath products in the guest rooms.
2. Owner's employment of the aforesaid "green" building concepts and those in Sections 15.1 and 15.2 of the Second Update to the Application Submittal dated November 3, 2008 will be evaluated during the Design Review process.

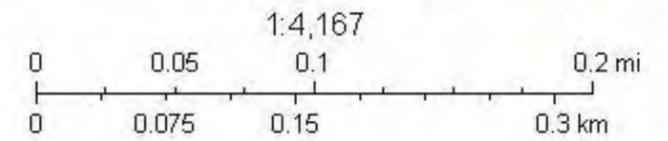
Warm Springs Ranch Resort Vicinity Map



July 6, 2016

Zoning

-  General Residential Low Density (GR-L)
-  Recreation Use (RU)
-  Tourist (T)
-  Limited Residential (LR)

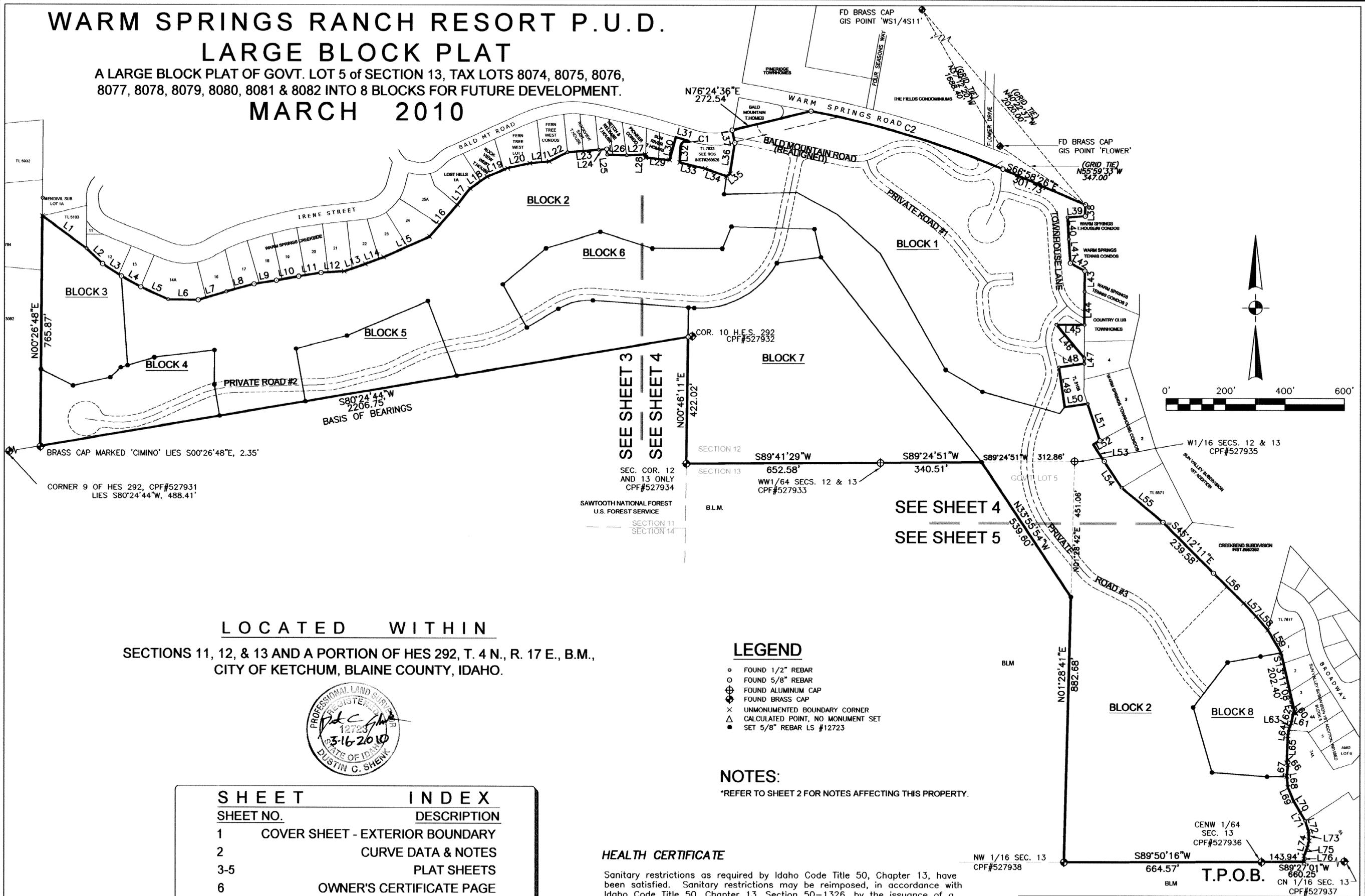


City of Ketchum, Blaine County

WARM SPRINGS RANCH RESORT P.U.D. LARGE BLOCK PLAT

A LARGE BLOCK PLAT OF GOVT. LOT 5 of SECTION 13, TAX LOTS 8074, 8075, 8076, 8077, 8078, 8079, 8080, 8081 & 8082 INTO 8 BLOCKS FOR FUTURE DEVELOPMENT.

MARCH 2010



LOCATED WITHIN
SECTIONS 11, 12, & 13 AND A PORTION OF HES 292, T. 4 N., R. 17 E., B.M.,
CITY OF KETCHUM, BLAINE COUNTY, IDAHO.



SHEET	INDEX
SHEET NO.	DESCRIPTION
1	COVER SHEET - EXTERIOR BOUNDARY
2	CURVE DATA & NOTES
3-5	PLAT SHEETS
6	OWNER'S CERTIFICATE PAGE
7	SIGNATURES

LEGEND

- FOUND 1/2" REBAR
- FOUND 5/8" REBAR
- ⊕ FOUND ALUMINUM CAP
- ⊕ FOUND BRASS CAP
- × UNMONUMENTED BOUNDARY CORNER
- △ CALCULATED POINT, NO MONUMENT SET
- SET 5/8" REBAR LS #12723

NOTES:

*REFER TO SHEET 2 FOR NOTES AFFECTING THIS PROPERTY.

HEALTH CERTIFICATE

Sanitary restrictions as required by Idaho Code Title 50, Chapter 13, have been satisfied. Sanitary restrictions may be reimposed, in accordance with Idaho Code Title 50, Chapter 13, Section 50-1326, by the issuance of a certificate of disapproval.

Date: 3-31-2010

Rhat Weisha
South Central District Health Dept., EHS

PREPARED BY: BENCHMARK ASSOCIATES, P.A.
P.O. BOX 733 - 100 BELL DRIVE, KETCHUM, IDAHO, 83340
PHONE (208)726-9512 FAX (208)726-9514 EMAIL: mail@bma5b.com
WEB: <http://benchmark-associates.com/>



WARM SPRINGS RANCH RESORT P.U.D.

LOCATED WITHIN
SECTIONS 11, 12, & 13 AND A PORTION OF HES 292,
TOWNSHIP 4 NORTH, RANGE 17 EAST, B.M.,
WITHIN THE CITY OF KETCHUM, BLAINE COUNTY, IDAHO.

PROJECT NO. 09124 DWG BY : DMP/DCS 09124 Final Plat.dwg
A LARGE BLOCK PLAT DATE: 03/15/2010 SHEET: 1 OF 7

LAWSON LASKI CLARK & POGUE, PLLC
ATTORNEYS AT LAW

Edward A. Lawson
eal@lawsonlaski.com

675 SUN VALLEY ROAD, SUITE A
POST OFFICE BOX 3310
KETCHUM, IDAHO 83340
TELEPHONE: 208-725-0055
FACSIMILE: 208-725-0076
WWW.LAWSONLASKI.COM

July 6, 2016

Hon. Nina Jonas
City Of Ketchum
Post Office Box 2315
Ketchum, Idaho 83340

Re: Warm Springs Ranch Resort
Our File No.: 10612-001

Dear Nina:

Following the Council's consideration of Helios' request for an extension of the entitlements associated with the above referenced project Helios undertook to voluntarily address some of the public's concerns, including continuing to allow public access to the property, attending to standing dead evergreen trees and removal of fallen dead trees in Warm Springs Creek. In addition it continues to seek means by which development of the project can proceed.

Also following the last Council meeting we prepared for your review and consideration by the Council the enclosed proposed First Amendment To Amended and Restated Warm Springs Ranch Resort Annexation And Development Agreement. Between now and the next Council meeting we would welcome an opportunity to meet with you and your staff to discuss the issues associated with the requested amendment and alternatives for resolving them to the satisfaction of all parties. If you are willing to meet and confer toward that end please let me know.

Thank you in advance for your anticipated attention to this matter.

Sincerely,

LAWSON LASKI CLARK & POGUE, PLLC



Edward A. Lawson

pdf: Client
J. Holinka
M. Austin

LAWSON LASKI CLARK & POGUE, PLLC
ATTORNEYS AT LAW

Edward A. Lawson
eal@lawsonlaski.com

675 SUN VALLEY ROAD, SUITE A
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KETCHUM, IDAHO 83340
TELEPHONE: 208-725-0055
FACSIMILE: 208-725-0076
WWW.LAWSONLASKI.COM

January 11, 2016

Ms. Suzanne Frick,
City Administrator
City of Ketchum
P.O. Box 2315
Ketchum, Idaho 83340

Re: Warm Springs Ranch Resort
Our File No.: 10612-001

Dear Suzanne:

This will serve as a follow up to our recent telephone conversation with Micah and the formal request of Helios Development, LLC ("Helios") for an extension of the deadlines for the phased Warm Springs Ranch Resort ("Project").

Pursuant to paragraph 6.7.1 of the Amended and Restated Warm Springs Ranch Resort Annexation and Development Agreement ("Agreement") an application is required for all permits relating to the first phase of the Project on or before August 2, 2016. Regrettably, it is impossible for Helios to satisfy the requirement due to circumstances in the credit and real estate market. Specifically, despite efforts which have been ongoing for years, Helios has been unable to secure financing for the Project in large part due to the lack of demonstrable demand for its product in the market. Moreover, the demand for high end hotel rooms that began to appear in the last year may be fulfilled by the hotels currently under construction. At least, Helios' consultants have urged it to wait commencing the Project until after the new hotels are operational. Not only will waiting enable Helios to make a decision to proceed with its Project based on quantitative data impacted by the new hotels, the prospects for success of the new hotels will be enhanced by delaying the start of the Project.

As discussed during the aforementioned telephone conversation, Helios views the market conditions and lack of credit facilities to be a continuation of the force majeure conditions which it previously asserted causing an extension of the time for performance for a period of time equal to the duration of the delay caused of the force majeure condition. Conservatively, that period of time is roughly 8 years. To avoid what would be a costly process to adjudicate the matter, Helios requests that the City grant it an 8 year extension of all time periods applicable to the Project. Our check payable to the City in the amount of \$750.00 representing the fee for amending a development agreement is enclosed with this letter.

Helios has requested that we express its disappointment in having to request additional time for the Project and its commitment to begin the improvements which are an integral part of

City of Ketchum
January 11, 2016
Page 2

the Project as soon as possible. Rest assured, Helios will continue to be a positive impact on the Ketchum community and a good neighbor to those in the Warm Springs area.

Thank you in advance for your anticipated cooperation with this matter. Should you have any questions or concerns please feel free to contact me.

Sincerely,

LAWSON LASKI CLARK & POGUE, PLLC

A handwritten signature in cursive script, appearing to read "E. Lawson", written in dark ink.

Edward A. Lawson

pdf: D. Boss
M. Austin
S. Buxton

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Edward A. Lawson
Lawson Laski Clark & Pogue, PLLC
Post Office Box 3310
Ketchum, Idaho 83340

(Space Above Line For Recorder's Use)

FIRST AMENDMENT TO AMENDED AND RESTATED WARM SPRINGS RANCH RESORT ANNEXATION AND DEVELOPMENT AGREEMENT

This First Amendment ("Amendment") is made as of July __, 2016 by and between the City of Ketchum, Idaho ("Ketchum"), a municipal corporation, and Helios Development, LLC, a Delaware limited liability company ("Owner", and together with Ketchum, the "Parties").

1. Recitals. This Amendment is made in contemplation of the following facts and purposes:

1.1 Ketchum and Owner are parties to an Amended and Restated Warm Springs Ranch Resort Annexation and Development Agreement ("Agreement"), dated , and recorded on in the records of Blaine County, Idaho as Instrument No. , under and by virtue of which the Parties established certain rights and obligations with regard to the annexation of the real property commonly known as the Warm Springs Ranch Resort and more particularly described in Exhibit "A" of the Agreement.

1.2 The Parties desire to amend and supplement the Agreement as hereinafter provided.

2. Amendments. In view of the foregoing, the Parties agree to amend and supplement the Agreement, as follows:

2.1 The fourth sentence of Section 6.7 (Phasing Plan and Performance Schedule) is deleted and the following substituted therefore: "Owner shall apply for and obtain all required permits, including building permits, for at least the Initial Phase of these required improvements on or before August 2, 2024."

3. Construction. This Amendment and the Agreement constitute one agreement between the Parties. In the event of any inconsistency between this Amendment and the Agreement the terms of this Amendment shall govern. All capitalized terms in the Agreement shall have the meaning in the Agreement when used in this Amendment, unless otherwise defined herein.

4. Ratification. The Agreement, as amended and supplemented by this Amendment, is hereby ratified and affirmed.

DRAFT

This Amendment is executed by the Parties as of the date first above written.

Helios Development, LLC, a Delaware
limited, liability company,

City of Ketchum, Idaho, a municipal
Corporation

By: Zon Development, LLC, a Delaware
limited liability company, its managing
member

By: _____
Diane Boss, Manager

By: _____
Nina Jonas, Mayor

DRAFT

Attachment 8

From: Steve Behal [<mailto:stevebehal@me.com>]
Sent: Wednesday, May 18, 2016 6:38 PM
To: Participate <participate@ketchumidaho.org>
Cc: Lauralynn Boeddiker <lauralynn@pioneerwestsunvalley.com>
Subject: Warm Springs Resort Application Extension

To Whom it May Concern.

As per your request for Planning & Building feedback dated May 18, 2016.

As an owner of a Limelight Condo at 318 Bald Mountain Road # 218, I would like to oppose strongly any extension to Helios Development Inc.'s application for extension.

This company has had ample time to produce results on this prime property and by asking for yet another extension they are unreasonably inhibiting the development of this entire area and in fact - hurting the city, the residents and taxpayers. The fact they are asking for 8 years now is just plain ridiculous.

Time to move on!

Thanks ...

Steve Behal

-----Original Message-----

From: Harold Coe [<mailto:hbco@cox.net>]

Sent: Monday, May 23, 2016 4:27 PM

To: Participate <participate@ketchumidaho.org>

Cc: Penny Coe <pence@ gmail.com>

Subject: project: Warm Springs Ranch Resort/Extension request

To: Department of Planning and Building

From: Harold B. Coe

Date: May 23, 2016

Re: Development Agreement Extension for Warm Springs Ranch Resort.

Gentlemen:

I am a resident at 303 Bald Mountain Road, directly on the Warm Springs creek, across the creek from the proposed Development.

I am in receipt of the Notice of Public Hearing Before the Ketchum City Council stating that on June 20, 2016 a Development Agreement Extension will be presented requesting an 8 year extension of all time periods and approvals for the Warm Springs Ranch Resort project.

COMMENT: the requested Agreement is UNACCEPTABLE.

1. The neighborhood has lived with the possibility of ongoing construction for many years, concerned about the many and varied changes that would disrupt the life of the inhabitants. Enough time has passed for the Owner to have completed, let alone, commenced its project. They have removed amenities, including tennis courts and restaurant, removed wild life, all in contemplation of their development making life neighborhood less desirable. They have held the area in limbo far too long as it is. Therefore, they have impacted property values as well as lives.
2. Prior Permits were granted AND accepted by the Developer. The length of time for use permits was sufficient for performance, neither stringent nor unfair. Everyone involved knew the time available for construction. The Developer did not appeal the permits granted. There has been no use thereof to date. Therefore, extension is not reasonable
3. Other Developers are now building in the downtown core where a hotel(s) are contemplated and should be located. Other Developers were able, in less time than that given to this Developer, to permit and commence construction.
4. Conclusion: Should the property Owner desire to use the land after their permits expire, there is a proper process for doing so, including the re-application. There is no reason for this requested extra-ordinary process.

Harold B. Coe
hbco@cox.net
206 999 9976

From: Craig Barry [<mailto:cbarry@me.com>]
Sent: Sunday, June 12, 2016 9:23 AM
To: Participate <participate@ketchumidaho.org>
Subject: Warm Springs Ranch Resort

Dear Ketchum City Council Members,

I'm writing to voice my opposition to extending Helios Development any extension on their development agreement from the City.

While I am an adjacent neighbor to the development and I do support the ultimate development of the Warm Springs Ranch area, I believe that simply too much time has elapsed from when the project was first proposed and too many extensions have been granted since its initial approval in 2009.

The local, regional and national assumptions upon which this complicated project had been based and upon which amendments were made have all now shifted considerably. Granting any additional extension to such a complex project that this now over 7 years old would be unwise for the City to do.

As such, I am asking that the Ketchum City Council deny Helios Development's request for any development agreement extension, including the 8 year extension they are now requesting.

The City and its city members should have the opportunity to reassess the future development of this area through normal established channels.

Thank you all for your service and care consideration of this issue.

Craig Barry
210 B Bald Mountain Rd
Ketchum

208-720-5661

-----Original Message-----

From: bjyoung0919@comcast.net [mailto:bjyoung0919@comcast.net]

Sent: Tuesday, June 14, 2016 10:30 AM

To: Participate <participate@ketchumidaho.org>

Cc: Barbara Young <bjyoung0919@comcast.net>

Subject: Warm springs ranch development

Please do not extend the permit to allow the current building plans to be considered acceptable. The council of eight years ago completely disregarded the location of the development. This remains a residential area. The council completely changed every zoning code to allow this to take place. The council at the time was greedy for the development to take place for financial reasons only. One of the existing council members even said. "I don't care what it looks like I don't live near it"

Please vote no to extend the existing development plans

Barbara Young
115 Townhouse Lane
Ketchum Idaho

To the City of Ketchum:

My understanding is that the developer of the Warm Spring Ranch development has asked the City of Ketchum to extend its building permit. As a homeowner in that area, I attended most of the meetings between the City and the developer over a number of years and was so disappointed and surprised that the City agreed to the developer's request for such a huge and non-conforming project in that residential area. Please do NOT renew an extension to their building plans. It is my hope with the amount of time that has transpired since the approval and now today, that the City has been able to take a fresh look at this area and realize it is now not the correct and best use of that unique piece of Ketchum. There are plenty of other area in the Valley that would be more appropriate locations for such a large development with the noise and traffic it would have created.

Thank you and I am confident that you will see the importance of NOT granting the developer the extension to the building plans.

Regards,
Diane Otis

115 Townhouse Lane
Ketchum, ID

Dear Ketchum Mayor, City Councilors, City Administrator and Planning and Building Director.

PLEASE DO NOT GRANT THE EIGHT YEAR EXTENSION ON THE DEVELOPMENT AGREEMENT WITH HELIOS DEVELOPMENT LLC ON IT'S WARM SPRINGS.

The planned development was approved in 2009 with many objections by local residents and businesses: the seven to eight-year-old plan was considered on over development of the area and non-conforming to the neighborhood. This is residential and public land not suitable for commercial or large resort development. The increase in traffic and noise levels would be unacceptable as would the size and extent of the physical structures. The development called from extensive rezoning. That fact alone should make obvious the plan is not appropriate to the neighborhood.

Helios should submit a new development plan that fits the confines of the neighborhood and current zoning. A development of this scale should be done elsewhere in the valley.

It is my hope that the City of Ketchum view this as an opportunity to review the best use of the land within their jurisdiction.

Thank you for your consideration

Marilyn Jensen

Condo Owner

Warm Springs Ranch

115 Townhouse Lane, # 12 & #13

Ketchum, ID 83340

After previously submitting a letter in opposition to the Request of Helios Development LLC ("Helios") and attending the City Council hearing of June 20, 2016, listening to the oral comments, the staff presentation and the questions and comments of the Council members, I reiterate my continued objection to this extension request.

While there are numerous issues to oppose the Helios request, two issues of objection come to mind that require present comment:

1. The attorney for Helios cited the Force Majeure clause as the legal reason upon which Helios is entitled to an extension. I submit that the reasons given by counsel do not meet the criteria intended by the clause. Personal financial inability to obtain financing allegedly due to other hotel projects, which commenced after the Helios project commenced, but proceeded more quickly and successfully does not meet the threshold of this clause. City Attorney Jill Holinka will need to do a careful study of the case law. Whatever the determination by the City Attorney, the issue is fraught with legal problems and the opposition, should they choose to do so, have an avenue for litigation that will be costly to the City regardless of the outcome.

2. Anne Correcek correctly inquired about the neighborhood concerns. For seven years, the project has been a Damocles Sword over the neighborhood owners, requiring potential Sellers to be required to disclose to potential Buyers the possibility of an enormous project, including "cottages" of 4,200 sq. ft along the ridge of the former golf course, years of construction and disruption, diminishing values of existing citizens.

It was obvious to one and all, at the Hearing, that the project will need substantial revision. To that end, a new application, under present, not seven year old laws, a new Council and new Planning Department, must be the standard by which the City Council must go forward.

Respectively submitted

Harold B. Coe
303 Bald Mountain Road
206 999 9976
hbcoe@cox.net

Planned Unit Developments are intended to be permitted as defined projects with specific relevance to the community at the time they are permitted. This is why there are deadlines associated with a PUD entitlement.

It has now been seven years since the PUD for Warm Springs Ranch Resort was approved, far beyond its original deadline and long since determinations were made about its relevance to the community. The developer should not be granted any further extensions, the PUD entitlement and Development Agreement should be allowed to expire, and any future development of the parcel under a new PUD should be subject to new hearings under the ordinance. A new Conditional Use Permit, Large Block Plat, and Annexation Agreement should also be formulated, taking into account the best interests of the community at that time.

Sincerely,

Lee Chubb

From: Milt Adam [<mailto:miltadamsv1@cox.net>]

Sent: Tuesday, June 21, 2016 1:27 PM

To: Mayor's Office; Jim Slanetz; Michael David; Anne Corrock; Baird Gourlay; Suzanne Frick

Subject: 8 year extension of Warm Springs Ranch Resort project

The Warm Springs Ranch Resort is simply not a viable project - - - and never was.

That is why Helios has been unable to find investors willing to invest their money into a project which has no chance of being an economic success, (providing a good return on the money invested in it). The proposed project has too much established competition for the same product it would be hoping to sell late in the game. *Build it and they will come* is not functional for this project. Potential wise investors know that. The Helios project will never be developed and built, 8 years from now or 20 years from now. Time and present conditions have passed it by. The Warm Springs Ranch 78-acre property itself should not be put into perpetual limbo.

Force majeure conditions, ie., the economic situation and conditions of the country, are not the cause of Helios not being able to find investors for the project. During this period of supposed tough times for Helios, Aspen Ski Company had no problem investing \$65 million for the new Limelight hotel in Ketchum, because SkiCo saw the Limelight hotel as a viable project.

Deny any extension. Let Helios liquidate the assets it has in their project. Helios would have to sell off the 78 acres it presently has in the Warm Springs Ranch property, selling it in one piece or broken up into multiple parcels. Then other developers could move in, take it out of limbo, and develop that land into something viable and marketable.

Or, give Helios two years to come up with some new "project" for the land it owns. This might indeed be breaking it up into small parcels and developing on those itself or just selling them off to others. On one of the parcels, they might develop a reincarnation (even in appearance and internal layout) of the old Warm Springs Ranch restaurant, including its scones, and on its original location including the fish ponds. The old Warm Springs Ranch restaurant was one of the most successful (\$\$\$\$) and most popular restaurants in Ketchum operating at full capacity 365 days a year. But there, Helios snatched defeat out of the jaws of victory.

Milt Adam, Sun Valley