Jackson Town Council Workshop

October 17, 2022
1:30 PM
Town Council Chambers

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I. ZOOM LINK FOR PUBLIC PARTICIPATION

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II. CALL TO ORDER AND ROLL CALL

III. WORKSHOP ITEMS

A. Director Updates (Public Works, 10 mins)
B. Short Term Rentals - Continued (Paul Anthony, 60 mins)
C. Setting a Pay Philosophy (Roxanne Robinson, 60 mins)
D. Town of Jackson Sustainability Plan (Tanya Anderson, 60 mins)

IV. PROPOSED ITEMS FOR FUTURE WORKSHOPS

11/21 Director Updates (Planning, Police & Fire/EMS)
11/21 Classification and Compensation Study Presentation (Roxanne Robinson)
11/21 Second Code Enforcement Position Description (Tyler Sinclair & Michelle Weber)

V. ADJOURN

Please note that at any point during the meeting, the Mayor and Council may change the order of items listed on this agenda. In order to ensure that you are present at the time your item of interest is discussed, please join the meeting at the beginning to hear any changes to the schedule or agenda.

STAFF REPORT

Meeting Date:	October 17, 2022	**Meeting Title:**	Regular Workshop
Submitting Department:	Community Development	**Presenter:**	Tyler Sinclair
Agenda Item:	**SUBJECT: ITEM P21-333:** Request for a Land Development Regulation (LDR) Text Amendment to Section 6.1.4 Residential Uses and Section 6.1.5 Lodging Uses to amend definitions regarding occupancy limits	**Public Comment:**	Yes

Purpose & Policy Considerations.
For Town Council to provide direction on LDR Text and Municipal Code Amendments regarding definitions and requirements regarding occupancy limits for long term residential and short-term rental (STR) units.

Requested Action.
[NOTE: This item was continued from the Council's September 19, 2022, workshop with direction from the Council to staff to answer questions raised at the workshop and to refine the options for regulating short-term rentals in residential neighborhoods. For efficiency, this staff report is the same as the previous staff report except that new material/sections are in italics for easy reference. New material focuses primarily on providing an updated staff recommendation. Additional background is also provided to help support the recommendation and to address a few specific questions raised by Council at the previous workshop.

For the purposes of this workshop, staff suggests the following goals as an agenda for Council:

1. Listen to presentation and ask questions
2. Provide direction to staff by taking the following actions:
    a. Choose an STR definition option;
    b. Choose a "Local Exclusion" option (including all three components), if desired.

Recommendation.
*The Community Development Director recommends **approval** of LDR Text Amendment (P21-333) to amend the definition of Residential use in Sec. 6.1.4.A.2.a; Short-term Rental use in Sec. 6.1.5.C; and other related LDR sections, to allow Short-term-Rentals outside of the Lodging Overlay (LO) and associated amendments to the Municipal Code as follows:*

Topic	***Staff Recommendation***
Where are STRs allowed?	Add "Short-term Rental" as a Basic Use (or possibly Temporary Use) in all residential zones.
Who/what qualifies?	*All residential uses (no limit on how many properties one person can own or rent short term)*
How many STRs should be allowed per year (annual allowance)?	*Three STRs/year for each property/unit*
Exceptions to annual allowance?	*None*
Approval Process?	*STR licenses and permits shall be required for each STR property* • *Applicant must provide the dates and nightly rate for each STR prior*

	to rental occupancy • *Each STR residential property will now require inspections by Fire Department just like regular STRs inside the LO and Snow King.*
Fees?	*Application Fee; Renewal Fee*
Short Term Rental/Residential Definition	*Amend STR definition to any rental to a guest that stays for less than 30 continuous days with a corresponding change to the definition of residential*
Operational Standards	*None*
Nonconforming Use	*Clarify that existing properties renting 12 times a year as a residential use are <u>not</u> considered a "nonconforming use" and so would need to comply with new STR requirements on the effective date of amendment*
Existing STR contracts	*Town will recognize all existing STR contracts in place on or before the effective date of the amendment*

Background.
As mentioned above, this item was continued from the Council's June 21, 2022, workshop with direction to staff to answer specific questions and provide more alternatives for Council's consideration.

Additional history/timeline on how and why the Council allowed residential rentals of less than 30 days
A central feature of the Town's current short-term-rental rules is that homeowners in residential zones are allowed to rent their units for less than 31 days once per month (12 times per year) and that these rentals still qualify as a "residential" use. This flexibility has been allowed even though the definition of a residential use in the LDRs states that "no residential unit or portion of a residential unit may be rented such that occupancy is limited to less than 31 days. Short-term rental of less than 31 days shall be considered a lodging use…" Below is a quick history on how we got here.

- Pre-1994: Prior to 1994 the LDRs contained no reference to residential short-term rentals.
- 1994: Adoption of the community's first Comprehensive Plan and updated LDRs where the Town and County establish a Lodging Overlay that prohibits all lodging uses outside of the Lodging Overlay and Resort zone. Rental of a residential unit for less than 30 days defined as a separate, commercial use that is only allowed in these areas and in specific grandfathered developments. Enforcement was primarily complaint-driven until 2007.
- 2007: The Teton County Planning Director makes an informal interpretation that the rental of residential units outside the Lodging Overlay and Resort District for occupancy of less 30 days was allowed provided the contracted lease period was for at least 30 days. This interpretation— i.e., allowing one short-term rental every 30 days (one per month) — has been the Town's policy since.
- 2015: Town amends Municipal Code (not LDRs) to create new requirement for a short-term rental license for legal rentals inside of the Lodging Overlay.

Analysis.

Below staff have provided analysis and alternatives to staff's recommendations provided above for each topic. Based upon Council direction on these primary topics related to amendments to STR regulations staff will revise the LDRs and Municipal Code for consideration by Council at a later date.

Where are STR allowed?	Add "Short-term Rental" as a Basic Use (or possibly Temporary Use) in all residential zones.

Staff recommends this amendment to ensure all STRs in the Town are licensed and inspected in a consistent and predictable manner.

Alternatives:

- *Allow only in Lodging Overlay and Snow King Resort Zone*
- *Allow only in some Residential Zoning Districts*
- *Other*

Who/what qualifies?	*All residential uses (no limit on how many properties one person can own or rent short term)*

Staff recommends this amendment to ensure all STRs in the Town are licensed and inspected in a consistent and predictable manner.

Alternatives:

- *Allow only 1 STR per individual*
- *Other*

How many STRs should be allowed per year (annual allowance)?	*Three STRs/year for each property/unit*

Staff recommends allowing 3 STRs per year for each property in order to minimize the impact on the long-term character of residential zones from increased noise, transient occupancy, increased parking, etc. associated with short term residential uses. In addition, staff finds that limiting STRs to 3 per year will maintain the primary use of a property as long term residential. The goal is to ensure that income from STRs is only a form of supplemental income for the residential property owner, not a source of primary or investment income. Thus, staff finds that increasing the number above 3 may result in local property owners choosing to convert their workforce homes into year-round commercial investment properties. Adding to this concern is the possibility that such property owners might leave the local workforce entirely to become full-time property managers of their STR properties, or even leave the community but continue to rent their property remotely, further reducing our workforce housing stock. It must also be acknowledged that allowing 3 STRs per residential property will require significant additional staff resources that do not currently exist. For example, the existing STR licensing program for STRs inside of the LO (about 200 licenses annually) consumes nearly one FTE for over a month each year and already strains existing staff resources in the Planning Department.

Alternatives:

- *Allow a higher or lower amount of STR for all properties*
- *Other*

Exceptions to annual allowance?	*None*

Staff does not recommend allowing any exceptions to the number of STR that are allowed per year. The basis of this recommendation is to ensure that the primary use of the property remains long term residential as discussed above and to allow consistent licensing and permitting for all properties. Staff finds that there would be significant administrative oversight needed to implement the types of exemptions provided as alternatives below.

Alternatives:

- *Additional STR allowed based on a graduated Median Family Income (MFI) system, for example property owners with an MFI of less than $200,000 a year get 3 additional STR per year*
- *Additional STR allowed based on proof of local employment,*
- *Additional STR allowed based on a property being one's primary residential property*
- *Additional STR allowed if a property is hosted*
- *Other*

Approval Process?	*STR licenses and permits shall be required for each STR property* • *Applicant must provide the dates and nightly rate for each STR prior to rental occupancy* • *Each STR residential property will now require inspections by Fire Department just like regular STRs inside the LO and Snow King.*

Staff recommends one license and permit per property for consistent licensing and permitting and ease of administration.

Alternatives:

- *Allow one license and permit per property owner with multiple properties*
- *Require a license and permit for each individual STR rental period, for example 3 licenses and permits per year per property*
- *Other*

Fees?	*Application Fee; Renewal Fee*

Staff is recommending an application fee to cover the original permitting, inspection and enforcement costs of the program for each application. Secondly staff is recommending a renewal fee to cover the administrative cost of renewal, reinspection and enforcement of the program. Should Council support this approach staff will bring back proposed actual fee amounts corresponding to the impact of the program on the Town. Staff recommends that short term rentals allowed in residential zones be exempt from the current housing mitigation program until such time the housing mitigation LDR requirements are completed in the new year.

Alternatives:

- *Require a onetime application/permit fee only*
- *Require a onetime permit fee per rental period; for example, if a property is rented 3 times the fee would be assessed three times*
- *Other*

Short Term Rental/Residential Definition	*Amend STR definition to any rental to a guest that stays for less than 30 continuous days with a corresponding change to the definition of residential*

Staff is recommending changing the definition to any rental to a guest that stays for less than 30 continuous days to allow the collection of sales and lodging taxes pursuant to State Statute.

Alternatives:

- *Maintain the current 31 days*
- *Other*

Operational Standards	*None*

Staff is not recommending any additional operational standards.

Alternatives:
- *Require an onsite host*
- *Posted On call Property Manager*
- *Annual Notification of Neighbors*
- *Other*

Nonconforming Use	*Clarify that existing properties renting 12 times a year as a residential use are not considered a "nonconforming use" and so would need to comply with new STR requirements on the effective date of amendment*

Staff recommends stating that the status of existing properties renting 12 times a year as a residential use are not considered "non-conforming" as they currently are not required to receive a permit or be inspected as would be required under the proposed requirements. This would include limiting properties in the future to the maximum number of STR allowed per year (as proposed a maximum of 3) opposed to the current allowance of 12 per year. In addition, staff considers a STR license an annual license that expires every year and must be renewed annual.

Alternatives:
- *Allow properties currently renting up to 12 times a year to continue as a legally non-conforming use*
- *Other*

Existing STR contracts	*Town will recognize all existing STR contracts in place on or before the effective date of the amendment*

Staff recommends that the Town recognize all existing STR contracts in place on or before of the effective date of the amendment as to not interfere with existing contracts or agreements already in place.

Alternatives:
- *Recognize existing STR contracts for a longer or shorter period*
- *Do not recognize existing STR contracts*
- *Other*

Questions from June 21, 2022, workshop
Below are questions that were raised by the Council and public at the June 21, 2022, Workshop. Staff has provided our response to each question.

1. *What is the fundamental problem we are attempting to address?*
   - The Town is seeing an increasing trend of homeowners outside of the Lodging Overlay and Resort zone renting units to visitors once per month as a primary, lodging-type use. This rental type is allowed per the 2007 interpretation made by the Teton County Planning Director summarized above. Due to the success and expansion of online rental platforms like Airbnb and VRBO, the number of these rentals in residential neighborhoods has increased dramatically. These rentals are inconsistent with the intended land use of residential neighborhoods and disruptive to the character and peace and quiet of residential areas. Short-term rentals outside of the Lodging Overlay tend to remove long-term community housing stock, increase housing costs, and contradict the Town's "community first, resort second" vision. Staff

finds that any economic or private property benefits of allowing lodging use in residential areas are outweighed by the negative impacts to our neighborhoods and full-time residents.

2. *What is the scope of the problem?*
   - On July 14, 2022, a total of 70 homes following this model outside the Lodging Overlay and Resort zone were advertised on sites like Airbnb and VRBO, and through local private property management companies. This count is a snapshot in time and likely conservative, since units are frequently listed and delisted depending on owners' needs and because units may be advertised on other platforms like Facebook and other social media sites that the Town does not track.
3. *What is our total housing stock?*
   - Approximately 5,000 units.
4. *How many STR licenses have been issued and how many are outside the Lodging Overlay?*
   - As of May 2022, 192 units had a short-term rental permit for 2022. All of those permits are for units located inside the Lodging Overlay and Resort zone, with the exception of two properties with "grandfathered" STR use.
5. *Do STRs pay lodging tax?*
   - Yes. State statute provides that "lodging services" provided to "transient guests" for stays of less than 30 continuous days are subject to a 5% lodging tax. Per statute, permitted and licensed STRs in the Lodging Overlay and Resort zone pay lodging tax; once-per-month rentals in residential areas do not, as leases are written per month. Because lodging tax is assessed by the state, enforcement is not Town-managed.
6. *How much revenue do we produce through STR licenses and tax revenues?*
   - Local STR licenses cost $107 annually per unit. As of May 2022, 192 units had a 2022 STR permit, generating a total of $20,544 in revenue for the Town. Lodging tax is assessed by the state at 5% of the rental rate – 3% is managed by the Wyoming Office of Tourism and 2% is managed locally. Of those local funds, 60% is managed by the Jackson Hole Travel and Tourism Board and the remaining 40% is managed by the Town. Per Town finance records, the Town of Jackson generated $4.4M of lodging tax in FY21. Of those revenues, the Town received $1.8M (40%) to mitigate the impacts of tourism and supplement the General Fund. The vast majority of this $1.8M was generated by traditional hotel lodging, not STRs.
7. *If we increase stay length, can we no longer charge lodging tax per WY lodging tax statute?*
   - The State of Wyoming assesses the Lodging Tax according to its own statutes and rules. Staff is not an expert on their taxing authority but it is our general understanding that any stay of less than 30 days is subject to Lodging Tax regardless of how the Town (or any local government) defines STR.
8. *How does this proposed change to increase the residential lease period help our workforce housing issue?*
   - Allowing STRs outside the Lodging Overlay and Resort zone creates a strong financial incentive for homeowners to rent to visitors rather than local workers. Per recent VRBO listings, a 3BR house that might rent to a local worker for $6,000 – 8,000/month on a long-term lease can be rented to a visitor for $1,100/night or more ($11,000 for a 10-day stay) instead. In this rental environment, we can predict that the market will drive out workforce housing and be replaced by high-end lodging-type units, and this has, in fact, occurred. In addition, these visitor rentals increase demand on infrastructure, services, and create additional generally low-wage jobs (e.g., housekeepers, landscapers, handymen, property managers, concierge services, car services, etc.) which in turn increases demand for workforce housing and exacerbates the local housing shortage.
9. *How many people are purchasing property for the opportunity to rent short-term?*
   - There are three primary types of buyers leveraging the 2007 STR interpretation: 1) second home owners who intend to use STR income to offset mortgage and maintenance costs, 2) local homeowners who intend to use STR income to offset rising property taxes and cost of living, and 3) real estate investment

and management companies that may use STRs as a primary use. The Town does not have – and likely cannot accurately collect – hard data regarding the number of people purchasing residential property for STR use because this data is not tracked or recorded by anyone. However, staff is confident that the potential to rent nightly or weekly is a factor in the decision to buy or invest in a residential property given the clear financial advantages.

10. *What are the economic forces incentivizing property investment for STR use? What is the scale of this kind of investment? Are investors individuals or large funds?*
    - For the same reason as explained for Question #9, this type of data is not available because it is not tracked by anyone. However, staff has observed what appears to be a trend of private equity money buying residential property in the Town. The investment is not limited to only high-end homes but includes workforce housing such as Cottonwood Park homes and even multi-family housing such as Blair Place Apartments. There might be various factors driving this investment so it is not possible to isolate how much, or if, the possibility of STR use is a significant part of their motivation, even though the financial incentives are often lucrative as provided in Question #8.
11. What is the relationship to fractional ownership?
    - Short-term rentals and fractional ownership are related but separate issues that require different policy responses. STRs are defined by the length of time a unit is occupied, while fractional ownership is defined by how many different people/entities own a unit. Although some jurisdictions, like Park City, UT, have attempted to regulate fractional ownership through use definitions, the Wyoming Supreme Court has previously indicated that local governments cannot regulate ownership directly, so addressing fractional ownership is likely a more complicated and potentially prohibited task than changing STR occupancy limits. The scope of this staff report includes short-term rentals only.
12. *How does a longer stay requirement help the enforcement issue?*
    - The Town's current STR interpretation allowing one rental that is less than 31 days per month is practically unenforceable. This is because a violation does not take place until either a second less-than-31-day rental takes place in the same month or the owner reoccupies the unit. Identifying either violation requires stake-outs, routine compliance check-ins, and exorbitant staff time. In addition, obtaining hard evidence of a violation is difficult because complaints are often made after the renter has left and the complaining neighbor is often not willing to go on the record due to concerns about privacy. Eliminating any transient stays less than 31 days would significantly reduce the number of potential violations and make it much easier to identify a violation when it does happen because then any transient stay of less than 31 days would be an illegal rental (no need to figure if it is the second offence, etc.).
13. *Should we get rid of the online monitoring software?*
    - Whether the Town continues to use our current online monitoring software or not will be determined by the outcome of this STR conversation.
14. *How many STR violations are by repeat offenders?*
    - Because of the unenforceable nature of the Town's current STR interpretation, it is not possible to determine the scale of violations. Regardless, violations of local ordinance are not the primary issue; legal, once-per-month rentals that are inconsistent with the intent of residential zoning are the primary issue creating negative impacts. The current practice allowing once per month rentals results in members of the public misidentifying legal, once-per-month rentals as illegal, since they look and feel like illegal STRs. For reasons described in Question #12, the Town is unable to respond to complaints because we often cannot accurately identify who is in violation of local ordinance in the first place.
15. *Should we revert to the original interpretation as a starting point?*

- ➢ One option before Council is to revert to the pre-2007 interpretation that prohibited the rental and occupancy of residential units outside the Lodging Overlay and Resort zone for less than 30 days.

16. *What communities have stay requirements longer than 60 days?*
    - ➢ See below for more detail.
17. *How should we define "locals" for the Locals Exemption Program?*
    - ➢ See below for more detail.

How other communities regulate STRs

At the June 21, 2022 Workshop, Council requested that staff research STR policies in other communities across the state, and in peer communities across the country. Staff has prepared the table below, summarizing relevant STR definitions and policies in other communities in order for Council to inform their understanding and policy direction.

WY Community:	**Short-Term Rental Definitions and Regulations:**
Buffalo	STR defined as less than 30 days; allowed as a special use in some residential zones but prohibited in low density residential zone; no apparent exceptions to rule.
Cody	STR defined as less than 30 days; allowed in some residential zones only when property owner is present during rental (i.e., when the property owner is present and "hosts" the rental); no apparent exceptions to rule.
Dubois	STR defined as less than 30 days; Special Use Permit required; no more than 25 Permits to be issued by Town at any one time; no apparent exceptions to rule.
Lander	STR defined as less than 30 days; allowed as conditional use in residential zones; permitted use in commercial zone; no apparent exceptions to rule.
Park County	STR defined as less than 30 days; STR license required; no apparent exceptions to rule.
Pinedale	STR defined as less than 30 days; permit required for STR; STRs must be hosted in some residential zones; non-hosted STRs (i.e., owner is not present during rental period) only permitted in commercial zones; no apparent exceptions to rule.
Star Valley Ranch	STR defined as less than one calendar month; STR permit and notice to neighbors within 300' required; no apparent exceptions to rule.
Note: Other WY communities also define STR as less than 30 days (with no apparent exceptions to rule), or do not define/regulate STRs as a lodging type at all.	
Other Communities:	**Short-Term Rental Definitions and Regulations:**
Kauai, HI	STR defined as less than 180 days; prohibited outside of Visitor Designation Area.
Honolulu, HI	STR defined as less than 90 days; prohibited in residential areas.
Prior Lake, MN	STR defined as 60-180 days; rentals 60 days or less prohibited in residential areas.
Telluride, CO	STR defined as 29 days or less; 3 STRs allowed per year for a cumulative number of 29 days maximum/year. Number of long-term rentals (30 days or more) not to exceed 3 per year.
Fort Lauderdale, FL	STR defined as unit that is rented more than 3 times per year for periods of less than 30 days.
Santa Monica, CA	STR defined as 30 days or less for unhosted; prohibited in residential zones.
Roseville, MN	STR defined as 30 days or less; off-season 7-day min. stay, on-season 10-day min. stay
Santa Cruz, CA	250 STR permits available by lottery; non-hosted STRs prohibited.

Options for Council consideration

The goal for this meeting is for Council to select a specific STR policy program from the options provided below. The STR policy program may be any combination of the below elements, to include: 1) an STR definition and occupancy requirement and 2) a Local Exclusion program, if applicable. The table below provides a menu of policy options for Council's consideration, in order of most restrictive to least restrictive.

Option 1A: Change residential definition from 31 days to 90 days WITHOUT 'Local Exclusion' program (i.e., rentals less than 90 days are prohibited, no exceptions) **Option 1B: Change residential definition from 31 days to 90 days WITH 'Local Exclusion' program (i.e., rentals less than 90 days are prohibited, with limited exceptions for qualifying locals or property owners)**
Pros: Enforceable; protects workforce housing and community character; consolidates lodging uses; preserves long-term rental pool; consistent with intent of residential zoning and LDRs; **Cons:** Minimum stay requirement is more aggressive than many other municipalities; would limit ability of some genuine local homeowners to rent for lesser periods and obtain helpful income; and would limit rental opportunities for local workforce who only need a month or two lease. The 'Local Exclusion' will make program significantly less enforceable, depending on details of program. **Local exclusion?** If yes, then choose specific exclusion program (see below)
Option 2A: Keep residential definition at 31-day minimum WITHOUT 'Local Exclusion' program (i.e., rentals less than 31 days are prohibited, no exceptions) **Option 2B: Keep residential definition at 31-day WITH 'Local Exclusion' program (i.e., rentals less than 31 days are prohibited, with limited exceptions for qualifying locals or property owners)**
Pros: Enforceable; protects workforce housing and community character; consolidates lodging uses; preserves long-term rental pool; consistent with intent of residential zoning and LDRs; essentially consistent with WY Lodging Tax; most consistent with other WY communities; consistent with timeframe of month-to-month rentals; consistent with intent of Comp Plan **Cons:** More difficult to enforce than the 90 day definition. The 'Local Exclusion' will make program significantly less enforceable, depending on details of program. **Local exclusion?** If yes, then choose specific exclusion program (see below)
Option 3: Keep residential definition at 31 day minimum but allow 3 rentals/year of occupancies less than 31 days for all residential properties (i.e., rentals less than 31 days are prohibited, with the exception of 3 STRs per year per unit)
Pros: 3 STRs per year creates less negative community impact and easier to enforce than 12 as currently allowed; allows for some level of STR within residential areas to allow for income generation; **Cons:** Difficult to monitor and enforce the 3 exceptions; requires significant staff time for permitting and monitoring; arguably inconsistent with the intent of residential zoning and Comp Plan of restricting STRs to Lodging Overlay and Resorts.
Option 4: No change to current STR policy and practice (Note: this may require minor LDR text amendments to clarify and codify the current interpretation allowing 12 rentals of less than 31 days per year)
Pros: Keeps the status quo; consistent with Teton Count policy and current public understanding **Cons:** Largely unenforceable for reasons stated above; encourages once-per-month visitor rentals rather than long-term rentals; removes long-term housing stock; increases housing costs; inconsistent with residential zoning; inconsistent with Comprehensive Plan; founded on an outdated interpretation.

Local Exclusion Program

At the June 21, 2022 Workshop, Council discussed and public comment was made regarding the possibility of providing limited exceptions to the 90-day minimum residential lease period to allow "locals" (e.g., teachers, retirees, or perhaps anyone residing in their primary home) the option to rent their home for a certain number of less-than-90-day rentals per year. Staff responded that we would provide additional details and options for such a program.

There are three primary considerations or elements in creating a Locals Exclusion program:

1. **Eligibility:** Define who qualifies as a local.
    a. What are home occupancy/residency requirements, if any?
    b. What are work requirements, if any?
    c. Other?
2. **Exclusion:** Define what the exclusion allows. What does the homeowner get to do?
3. **Enforcement:** Decide how the Town will review, permit, and enforce this program. What kind of permit system, fees, and enforcement system is desired to regulate whatever exclusion program is approved?

Listed below are options regarding eligibility requirements and exclusion details from which Council can select in drafting the Local Exclusion Program, if applicable. These policy details will determine who qualifies for the exclusion and what it allows them to do. The Local Exclusion program may be any combination of the below elements, to include 1) a definition for "local", 2) the specific exclusion locals are entitled to, and 3) a specific enforcement mechanism.

"Local" Eligibility	
Wyoming Residency Requirement:	Must maintain more than 6 months occupancy per year
Jackson/Teton County Affordable Housing Work Requirement:	Must be employed in Teton County at least 30 hours per week and 75% of HH income must be earned in Teton County (exemptions for retirees, active military, secondary education, and hospitalization)
Jackson/Teton County Affordable Housing Residency Requirement:	Must maintain more than 10 months occupancy per year
Other Residency Requirement:	Must maintain more than 8 or 9 months occupancy per year
Primary Residence Requirement:	Limited to 1 per eligible local
Property Ownership Requirement:	Simply need to prove ownership of property; No residency requirement so do not have to be Teton County resident; could limit to one property or have no limit on how many properties one person/entity can own and rent with exclusion.
Other?	
Local Exclusion	
Eligible 'Local' can rent property 3 times (or 12 times) per year for any period less than 90 days (or 60 days or 30 days)	
Eligible 'Local' can rent property 3 times (or 12 times) per year but only if "hosted"	
Eligible 'Local' is eligible for one or more of a limited number of total STR licenses (i.e., Town caps total number of STR licenses at 75, 100, 250, or some number)	
Other?	
Review Process/Enforcement	
Business License: (to be used if the STR is considered a business and we want to tax each STR)	a) One license issued for each allowed STR per year on a per-rental basis (e.g., 3 rentals = 3 individual licenses). b) One license issued for all allowed STRs for the entire year (e.g., 3 rentals = 1 license)
Basic Use Permit: (to be used as alternative to business license)	a) One license issued for each allowed STR per year on a per-rental basis (e.g., 3 rentals = 3 individual licenses). b) One license issued for all allowed STRs for the entire year (e.g., 3 rentals = 1 license)

"Local Exclusion" License: (Town creates a new license procedure that is designed specifically to approve STRs under the Local Exclusion	Could be an "over-the-counter" permit that is approved in, for example, 24 hours.
Other?	

Comprehensive Plan & Priority Alignment.

Policy 3.2.c: Limit lodging to defined areas
Lodging and short-term rental use will continue to be limited to areas within a Lodging Overlay and existing Planned Resort in Town, and the existing County Planned Resorts and Planned Unit Developments where it is entitled. The potential for lodging and short-term rental development is important to the community's tourism economy, but it is not appropriate throughout the Town and County. Concentration of lodging locates short- term accommodations in areas where guests can access visitor-oriented amenities without a vehicle, while protecting the remainder of the community's residential, locally-oriented, and Rural Areas from expansion of tourist-related amenities.

Policy 4.2.e: Maintain lodging as a key component in the downtown
A key element of the 1994 Comprehensive Plan was the establishment of the Lodging Overlay District. The purpose of the overlay was to concentrate lodging into the downtown core, where guests can access tourist-orientated amenities without a vehicle. In addition, the overlay was intended to protect the remainder of the community from expansion and sprawl resulting from tourist and lodging amenities. The community continues to support the original intent of the overlay. Expanding on the goals of the 1994 Plan, this Plan supports the provision of a variety of year-round lodging types that encourage active management for nightly year-round occupancy.

Principle 4.3—Develop desirable residential neighborhoods
A primary goal of the community is to enhance the character and integrity of Complete Neighborhoods in the Town and County. Town residential neighborhoods will be defined as either "Stable" or "Transitional," Subareas based upon their existing and desired future character. An important goal is to maintain or reestablish a strong sense of ownership by all residents of their neighborhood. The specific designation for each neighborhood and the desired future character is defined in the Illustration of Our Vision chapter.

Fiscal Impact.
Any potential fiscal impact cannot be determined until final direction is provided.

Staff Impact.
Staff has spent approximately 80 hours on this project thus far. *Staff finds that the administration of the proposed program may take a 1.0 full-time equivalent employee (fte) to administer and enforce.*

Attachments or Links.

Suggested Motion. *Council always has the option to adopt, approve with conditions, continue, or deny items*.

I move to direct staff to draft an amendment to the text of the Town of Jackson Land Development Regulations and Town Municipal Code, as necessary, consistent with the direction described in this October 17, 2022, staff report as amended by Council as follows:

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STAFF REPORT

Meeting Date:	October 17, 2022	Meeting Title:	Town Council Workshop
Submitting Department:	Personnel	Presenter:	Roxanne Robinson
Agenda Item:	Selecting an Initial Compensation Philosophy	Public Comment:	Yes

Purpose & Policy Considerations.
The purpose of this item is for Council to provide direction to staff and Baker Tilly on selecting a compensation philosophy.

Requested Action.
Staff is requesting Council input on selecting a compensation philosophy in order to move forward with estimates for implementation of the classification and compensation study results.

Recommendations.
Staff recommends the Town Council direct staff and Baker Tilly to move forward with presenting the results of the classification and compensation study using a 'lead/lag' approach and develop estimates for implementation of those results based on that 'lead/lag' approach to be presented at the November 21, 2022 Council workshop. This recommendation is made with the understanding that because some families of positions may need to be adjusted to address current recruitment and retention issues, staff may recommend a 'lead' approach when the complete study results are presented.

Background.
In order for Baker Tilly to move forward with recommendations for a pay plan for the Town of Jackson, where to place employees on that pay plan that reflects internal equity of positions, and the estimated cost of moving forward with implementation of the study results, Baker Tilly is seeking feedback from the Town Council on selecting a compensation philosophy and more specifically on anchoring our pay plan. Information will be provided on what exactly 'anchoring' the pay plan means, what lagging, leading/lagging, and leading the market means, why a compensation philosophy is necessary, and the reasoning behind why organizations may choose to lead or lag the market or pay at market rates for employees.

Development of a fully fleshed out compensation philosophy should support the decisions the Town chooses to make once we are ready to implement the results of the study. Developing a compensation philosophy itself does not require the Town of Jackson to increase wages for employees to a certain amount immediately after the classification and compensation study is completed and the results are presented. Depending on the results of the study, staff may recommend, and the Council may elect, to phase in the implementation of the results.

The following is a description of what a compensation philosophy generally contains. Staff asks that the Council come to the meeting prepared to provide initial thoughts and ideas on these points. Additionally, the powerpoint presentation from the June 6 Town Council meeting where a compensation philosophy was initially introduced is attached.

- Broad statement of what the organization believes about how people should be paid.
- Explains the "why" behind employee pay.
- Commitment to how the organization values employees.
- Compensation program objectives or guiding principles that drive how an organization will approach compensation.

Defining our Market. One aspect of a compensation philosophy is defining our market, and the Town Council already made that decision at the June 6 Town Council meeting when they provided input into the entities the Town would survey as our market competition for recruitment. Rocky Mountain resort cities and counties were selected as a comparison for exempt positions and positions traditionally requiring a 4-year degree and regional cities and counties, the State of Wyoming, and local employers were added to those Rocky Mountain communities for non-exempt and law enforcement positions.

Anchoring our Pay Plan. Baker Tilly will lead the presentation on anchoring our pay plan. The presentation will include walking through various definitions and options for anchoring our pay plan (lag, lead/lag, or lead the market), the reasoning behind one selection over another, and answering questions on this topic. As a quick explanation, if an organization 'lags' behind the market, they adopt a pay plan with midpoints that are slightly below the market midpoint. If an organization 'leads/lags' the market, they adopt a pay plan with midpoints that are at the market midpoint at the start of a fiscal year knowing that at the end of the fiscal year, those midpoints will lag the market because of increases in the market. If an organization 'leads' the market, they adopt a pay plan with midpoints that match the projected market midpoints that would exist at the *end* of the fiscal year.

Council will be asked to make an initial determination on how the Town should anchor our pay plan. This initial determination will be used to present the results and potential implementation strategies and costs that will be presented at the November 21 workshop meeting.

It is important to understand that the study will return information related to the midpoint for the market for positions but those midpoints may not address the reality of the difficulty in filling positions in Jackson and therefore further consideration may need to be given to targeted positions/families of positions such as Commercial Drivers License (CDL) positions in the organization.

Based on the Council's input on the compensation philosophy, staff and Baker Tilly will continue work on developing a pay plan for consideration at the November 21 Town Council meeting along with the classification and compensation study results.

As we continue to work through the results of the compensation and classification study, further information will be provided for discussion around other factors/inputs that contribute to formulating a more comprehensive pay philosophy statement. Those other factors/inputs include issues such as the frequency of market comparison; open ranges v. steps within range; basic benefits such as insurance, leave, pension/retirement; additional benefits such as housing assistance, childcare assistance, and tuition reimbursement.

Analysis.

Possible Alternatives.
The Town Council could choose to delay a decision on an initial compensation philosophy until they have seen the results of the classification and compensation study.

Comprehensive Plan & Priority Alignment.
The ability of the Town of Jackson to implement and take actions in alignment with the Comprehensive Plan depends on the ability to recruit and retain an effective workforce. Developing a pay philosophy is in alignment with Common Value #3, Quality of Life and directly relates to Section 8, Quality Community Service Provision.

Fiscal Impact.
There is no direct fiscal impact to adopting an initial compensation philosophy. The fiscal impact will occur when the classification and compensation study results are evaluated and the selected compensation philosophy is applied to those results with corresponding wage changes, benefit changes, and budget amendments. The initial budget request was to set aside $2M in the FY23 budget and during budget adoption that figure was set at $1.5M. A portion of those

funds were used to provide the 3% wage increase on August 8, 2022 and the remaining approved funding to implement the Classification and Compensation Study is approximately $1.1M.

Staff Impact.
The staff impact of adopting an initial compensation philosophy is positive in that it communicates the Council's strategy and desires as they relate to compensating employees. Staff originally estimated 450 hours total to complete this project and prior to work on this staff report, the estimate of staff hours already spent is approximately 300 hours. Staff has spent approximately 8 hours on preparation of this staff report and includes time from Administration, Personnel and Finance which brings the total time spent so far on this project to 308.

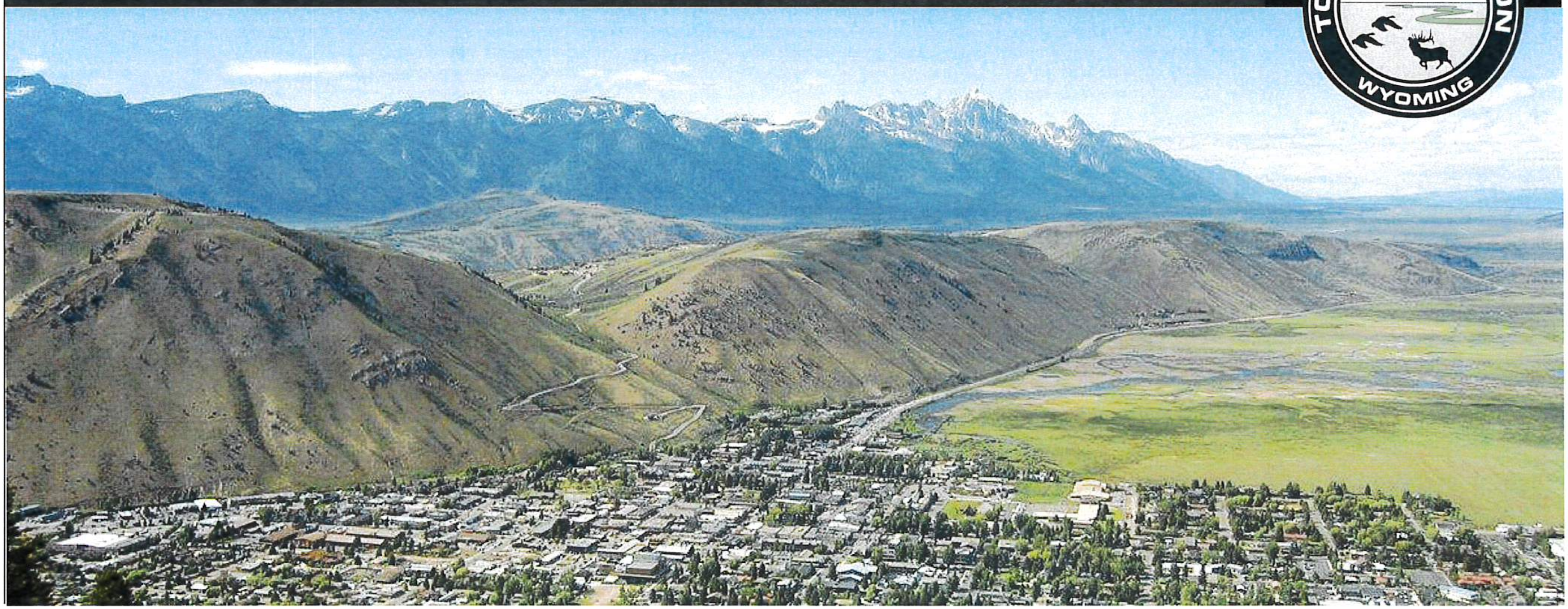
Attachments or Links.
Baker Tilly Powerpoint Presentation from June 6 Town Council meeting on introducing the concept of a compensation philosophy. Baker Tilly Powerpoint Presentation for October 17, 2022 meeting.

Suggested Motion. *Council always has the option to adopt, approve with conditions, continue, or deny items*.
I move to direct staff and Baker Tilly to move forward with presenting the results of the classification and compensation study using a 'lead/lag' approach and develop estimates for implementation of those results based on that 'lead/lag' approach to be presented at the November 21, 2022, Council workshop.

Classification & Compensation Study: Town of Jackson, Wyoming

bakertilly

TOWN OF JACKSON WYOMING



Process Overview

Initiation – planning meetings, data collections, employee presentations, and PAQs collected.

Market - pick peer organizations, benchmark positions, distribute survey, compile and analyze data.

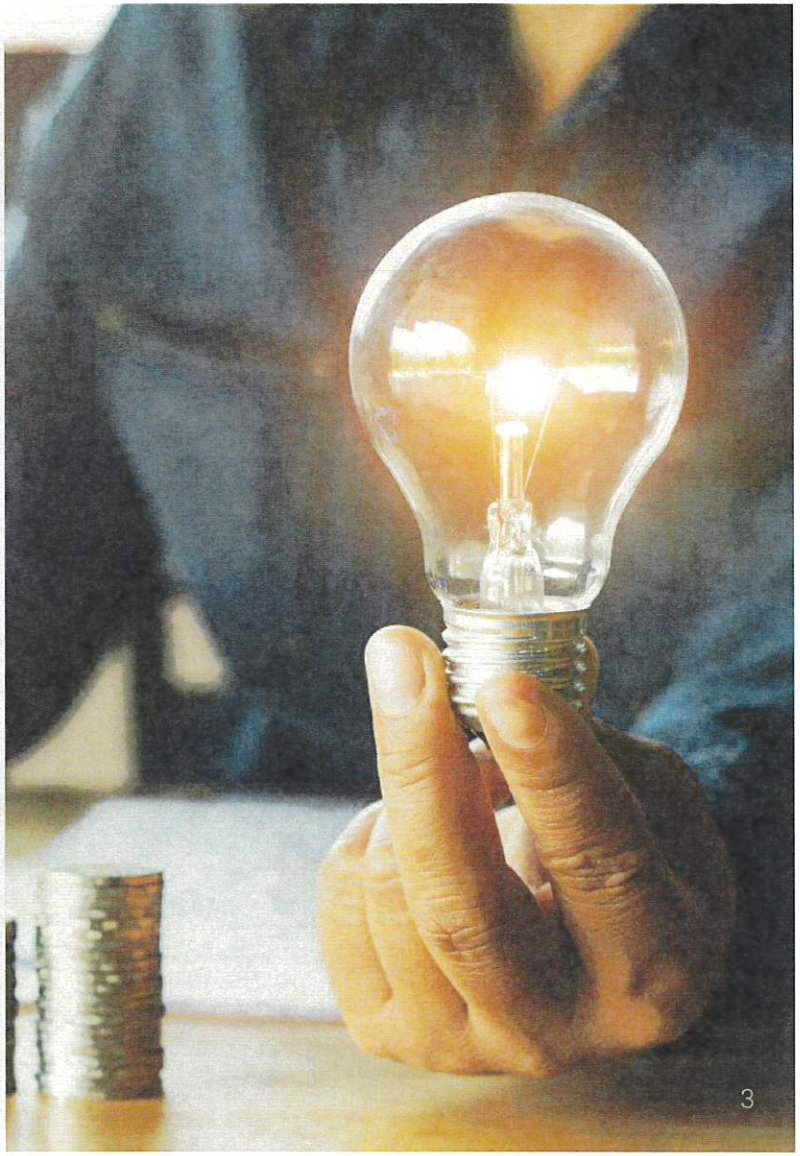
Position Review – titles and job evaluation to establish internal hierarchy of jobs (internal equity).

Pay Plan - draft pay plans, establish grade assignments, calculate implementation options.

Completion – final report, final presentations, training with HR.

Compensation Philosophy: What is it?

- A compensation philosophy is a broad statement of what the organization believes about how people should be paid – World at Work
- A compensation philosophy is simply a formal statement documenting the [organization's] position about employee compensation. It explains the "why" behind employee pay and creates a framework for consistency – SHRM
- A pay philosophy is an organization's commitment to how it values employees – Salary.com
- A compensation philosophy is not a pay policy that lays out the specific details of a company's plans and programs. Rather, most stated compensation philosophies are really compensation program objectives or guiding principles that drive how a company will approach compensation. - Gallagher



Compensation Philosophy: What should it contain?

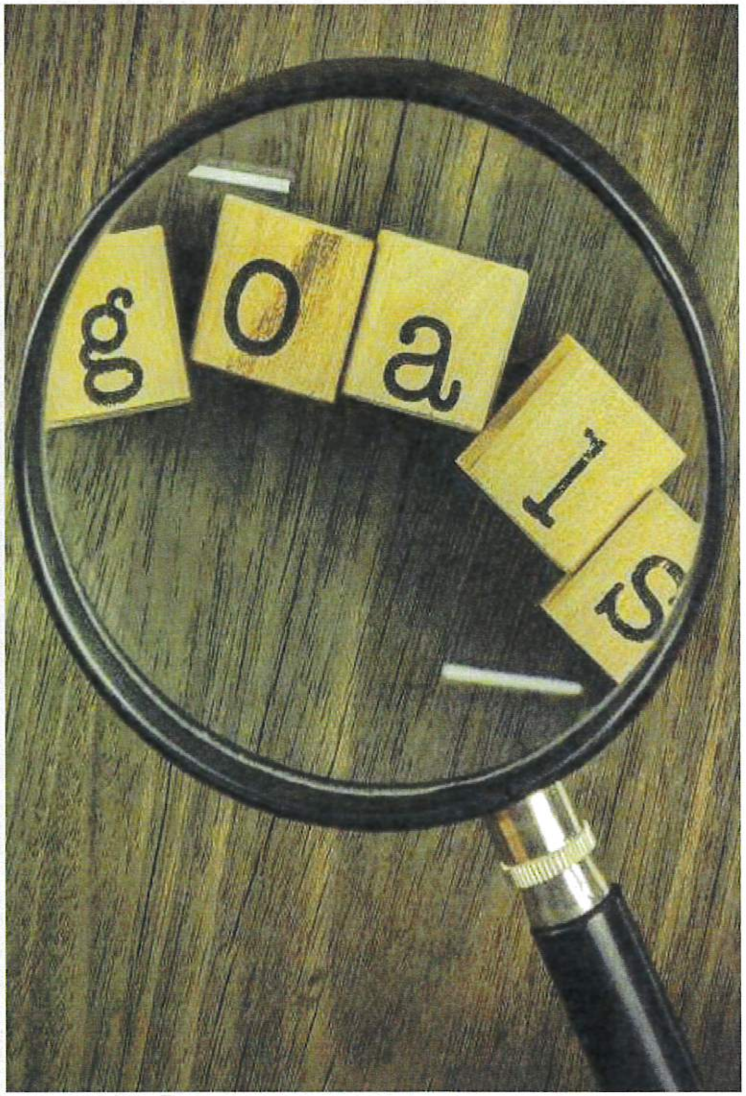
- Desired position in the marketplace
  - Lead, lag, or at market
- Definition of “market”
  - who do you compete against for talent?
- The rewards focus
  - base vs. variable pay, benefits, etc.
- How jobs are valued
  - internal vs. external, both, etc.
- Administration
  - merit vs. pay for performance, increases, structure updates, bonuses, timing, etc.

These can be approached vaguely or with detail

What should it contain?
Desired position in the market

- **Lag:** The organization will consciously set its pay equal to the current market levels at the beginning of the year. As the market increases throughout the year, the organization maintains its position
- **Lead-Lag:** The organization will set its pay at the mid-year anticipated market level. For the first half of the year the organization is 'ahead' of the market. For the second half of the year the organization is 'behind' the market
- **Lead:** The organization will set its pay at the anticipated end year market level and all year will be considered 'ahead' of the market until the next year

Private sector organizations often adjust wages throughout the year to maintain market competitiveness. Public sector organizations, however, are tied to annually approved budgets.



Market Study Results

Department	Benchmark Position	Matches	Avg Minimum	95% of Midpoint	Average Midpoint	105% of Midpoint	Avg Maximum	% Range Spread
					Market			
BUILDING INSPECTOR	Building Official	6	$64,532.85	$79,605.59	$83,795.36	$87,985.13	$103,057.86	60%
BUILDING INSPECTOR	Codes Inspector / Buildings and Sites	11	$42,801.08	$51,213.63	$53,909.08	$56,604.53	$65,233.50	52%
BUILDING INSPECTOR	Codes Inspector / State and County Erosion Plan Reviewer	0	Insufficient Data					
CLERK OF CIRCUIT COURT	Chief Deputy Clerk	6	$51,167.90	$65,198.09	$68,629.57	$72,061.05	$87,035.63	70%
CLERK OF CIRCUIT COURT	Deputy Clerk I	9	$30,114.46	$36,898.75	$38,840.79	$40,782.83	$47,567.11	58%
CLERK OF CIRCUIT COURT	Deputy Clerk II	6	$34,027.55	$42,096.33	$44,311.93	$46,527.53	$54,596.31	60%
CLERK OF CIRCUIT COURT	Deputy Clerk III	4	$38,942.07	$48,093.53	$50,624.77	$53,156.01	$62,307.47	60%

Market Comparison

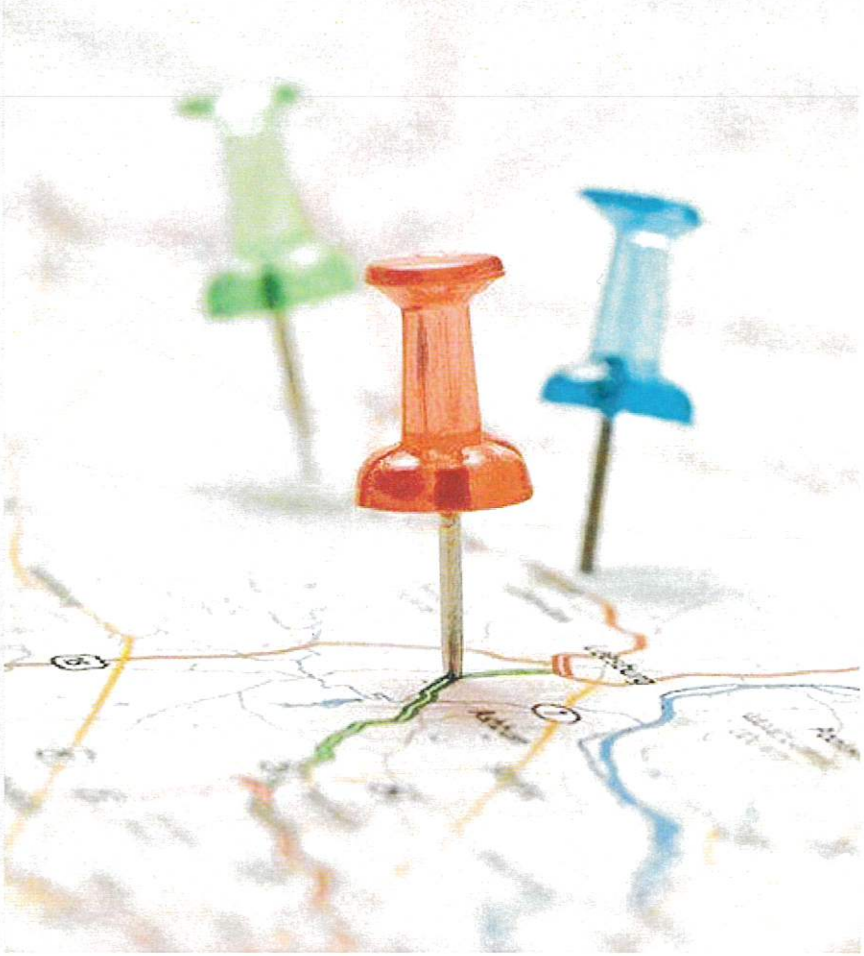
			Lag		At Market		Lead	
Department	Position Title	Current Midpoint	95% of Mkt	+ / (-) Mkt	Avg. Midpoint	+ / (-) Mkt	105% of Mkt	+ / (-) Mkt
BUILDING INSPECTOR	Building Official	$70,881.50	$79,605.59	▲12.3%	$83,795.36	▲18.2%	$87,985.13	▲24.1%
BUILDING INSPECTOR	Codes Inspector / Buildings and Sites	$50,573.50	$51,213.63	▲1.3%	$53,909.08	▲6.6%	$56,604.53	▲11.9%
BUILDING INSPECTOR	Codes Inspector / State and County Erosion Plan Reviewer	$53,355.00	Insufficient data					
CLERK OF CIRCUIT COURT	Chief Deputy Clerk	$59,514.00	$65,198.09	▲9.6%	$68,629.57	▲15.3%	$72,061.05	▲21.1%
CLERK OF CIRCUIT COURT	Deputy Clerk I	$39,507.00	$36,898.75	▼(6.6%)	$38,840.79	▼(1.7%)	$40,782.83	▲3.2%
CLERK OF CIRCUIT COURT	Deputy Clerk II	$43,069.00	$42,096.33	▼(2.3%)	$44,311.93	▲2.9%	$46,527.53	▲8.0%
CLERK OF CIRCUIT COURT	Deputy Clerk III	$45,438.00	$48,093.53	▲5.8%	$50,624.77	▲11.4%	$53,156.01	▲17.0%

What should it contain?
Definition of "market"

<u>Guiding parameters for defining a relative labor market:</u>

- Organization size
  - Operating budget
  - Number of employees
  - Population served
- Services provided
- Industry
- Geographic location/proximity
- Competition
  - Organizations you gain employees from
  - Organization you lose employees to

It's important to note that there may be different labor markets for different positions. Some positions may be recruited from the local area, while others are recruited regionally and/or nationally.



Cost of Living vs. Cost of Labor

"Cost of living" refers to the costs to a consumer in a specific geographic area. It reflects the price of food, housing, groceries, transportation, taxes and entertainment. Simply put, it's the cost of maintaining a certain standard of living.

"Cost of labor" refers to the difference in pay or labor market for a job from one location to another. Another way to phrase this is that the cost of labor is what a particular geographic market offers as the "going rate" or compensation for its jobs.

What should it contain?
Rewards Focus

This is the total package that is being offered to employees. Some organizations may not be able to provide market competitive base salaries, but can offset this with other offerings:

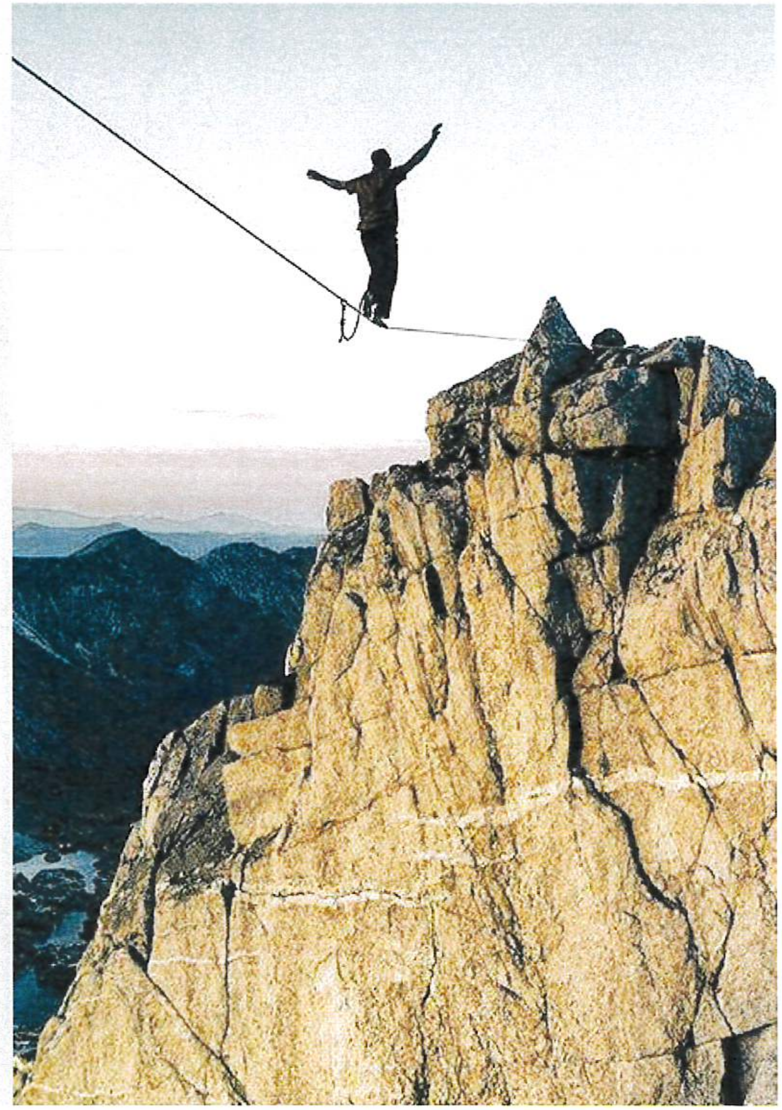
- Employer provides greater coverage of medical, dental or vision insurance
- Employer covered disability or life insurance
- Deferred compensation plan (457)
- Greater employer contributions to pension plan
- Flexible working schedules or environments (work from home)
- Generous paid time off schedules and/or holiday offerings
- Tuition reimbursement or assistance
- Unique career development opportunities
- Variable pay such as bonus, recognition or incentive programs

What should it contain?
How are jobs valued

How a job is valued within an organization is going to drive how that job is compensated.

- It is uncommon for public sector organizations to use a "market pricing" approach – which means there is a unique pay range for each position tailored to the market value.
- Its very common for public sector organizations to consider internal value when determining pay ranges for positions.
- Additionally, public sector organizations must be aware of regulations such as pay equity, ADA, FLSA, etc. which often have stipulations for how jobs are measured and valued.

Baker Tilly will determine internal values for positions using our point-factor job evaluation tool, SAFE, which was developed specifically for reviewing local government jobs. The result is a total score which can be used to establish a hierarchy of jobs.

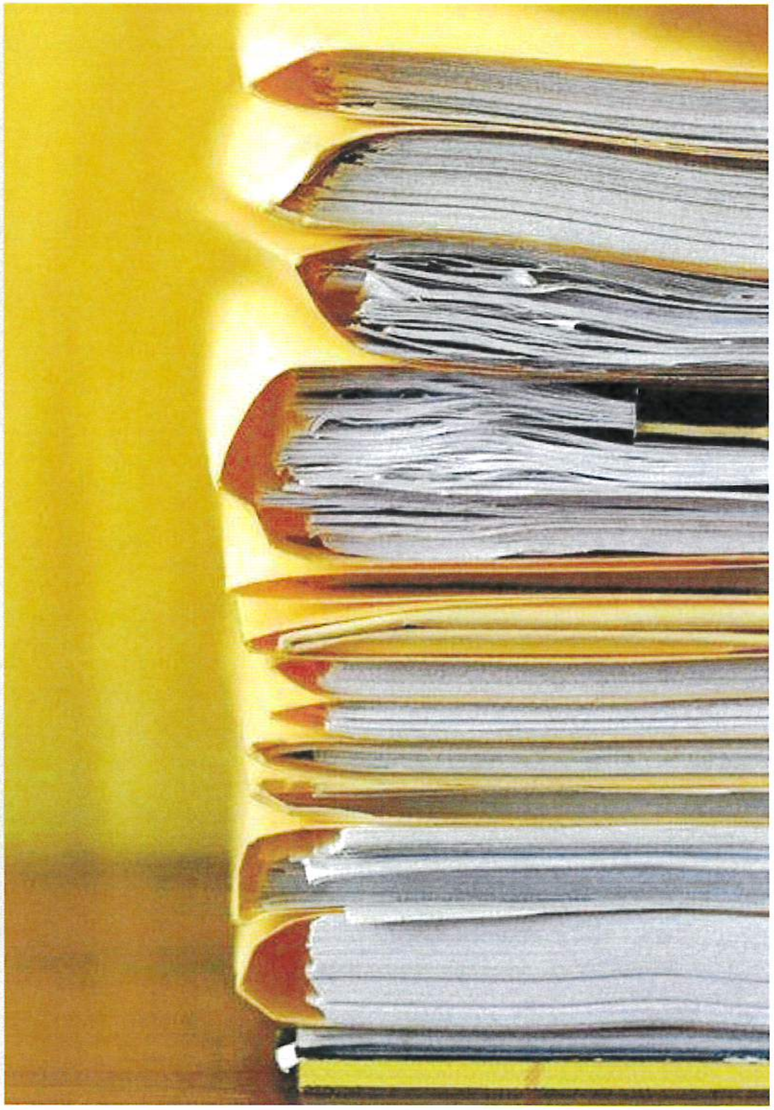


What should it contain? *Administration*

This answers the question of "how is the compensation philosophy going to be achieved?"

- How often will pay plans and/or salaries be reviewed?
- Can employees or supervisors appeal their grade placement?
- What considerations will be made for changes? (internal changes, external changes, or both).
- COLA? Merit? Performance? Promotions? Step increase? Structure adjustments?
  - Longevity? Certification pay? Bilingual Pay? Bonuses?

The answer to these questions may already be outlined in your policy handbook.



City of Las Vegas, NV

EXAMPLE

City of Las Vegas' compensation philosophy is to:

- Recruit, retain and reward talented and effective employees
- Recognize employees' value and contributions to the city
- Reward employees for performance
- Manage pay through a competitive, flexible and efficient system
- Ensure fair and consistent administration in all work groups across the city

The city's compensation program is based on a market approach. The market rate is the amount that other organizations pay for similar work. The city of Las Vegas chooses to pay at the market, or what others are also paying. In practical terms, this means that the city's range midpoints are set close to the average of the market organizations' midpoints.

City of Topeka, KS

EXAMPLE

- The city of Topeka's compensation philosophy is to provide a compensation program which will attract, motivate and retain qualified employees to meet the objectives of the organization
- Compensation for city employees is determined by three pay structures; all structures are subject to City Council approval, budget authority and salary plan rules and pay ranges
- Market analysis: In order to maintain external equity and ensure the city is paying market wages, periodic market comparability studies are conducted. These surveys allow the city to ensure our position rates of pay are consistent with the pay rates in other Metropolitan areas
- The source of market data utilized (local survey, regional survey or national survey) depends on the scope of work, responsibility and general recruiting pool for the specific job

City of Colorado Springs, CO

EXAMPLE

The compensation philosophy of the City of Colorado Springs is to be a governmental employer of choice. We do this in part, by attracting, retaining, and motivating qualified employees through the offering of the best overall whole career experience that includes total compensation generally competitive to our defined market, while recognizing our fiscal-responsibility, and being best-in-class stewards of our resources.

The City of Colorado Springs provides a comprehensive and competitive benefit program. We are proud to offer this extensive selection of benefits to meet the needs of our employees and their families. Our benefits program is designed to provide you with quality offerings that promote wellness and health care accountability. You decide which benefit offerings best meet your personal needs.

- Offering comprehensive healthcare coverage.
- Providing affordable and financially sustainable health and wellness options.
- Helping employees be informed healthcare consumers by providing educational opportunities while emphasizing prevention and overall wellness.
- Engaging employees in health and wellness programs that impact their overall health and quality of life.

City Salt Lake City, UT

EXAMPLE

Salt Lake County's Total Compensation Philosophy is to attract, motivate and retain quality employees who support the County mission of providing high-quality, cost-effective public services. We believe in a transparent, performance-based approach to compensation. Our goal is to compete in comparable markets for high performing employees and recognize that public service has rewards beyond a base salary. We strive to provide employees with competitive compensation, benefits and retirement programs that reflect current market practices and are fiscally responsible. Our employees enjoy a superior work culture, career development and growth opportunities and the satisfaction of serving the public.

Guiding Principles

- Salt Lake County competes with a mix of public and private sector organizations and recognizes that geographic wage differentials and areas of expertise may impact the market for talent
- Salt Lake County's total compensation program is performance based and incorporates civil service protections as defined by state statute.
- A transparent approach to compensation will help us achieve a culture of excellence.
- Rewarding employee achievements, developing employee talent and fostering career progression reinforces a productive work climate and the County's core values.

Classification & Compensation Results

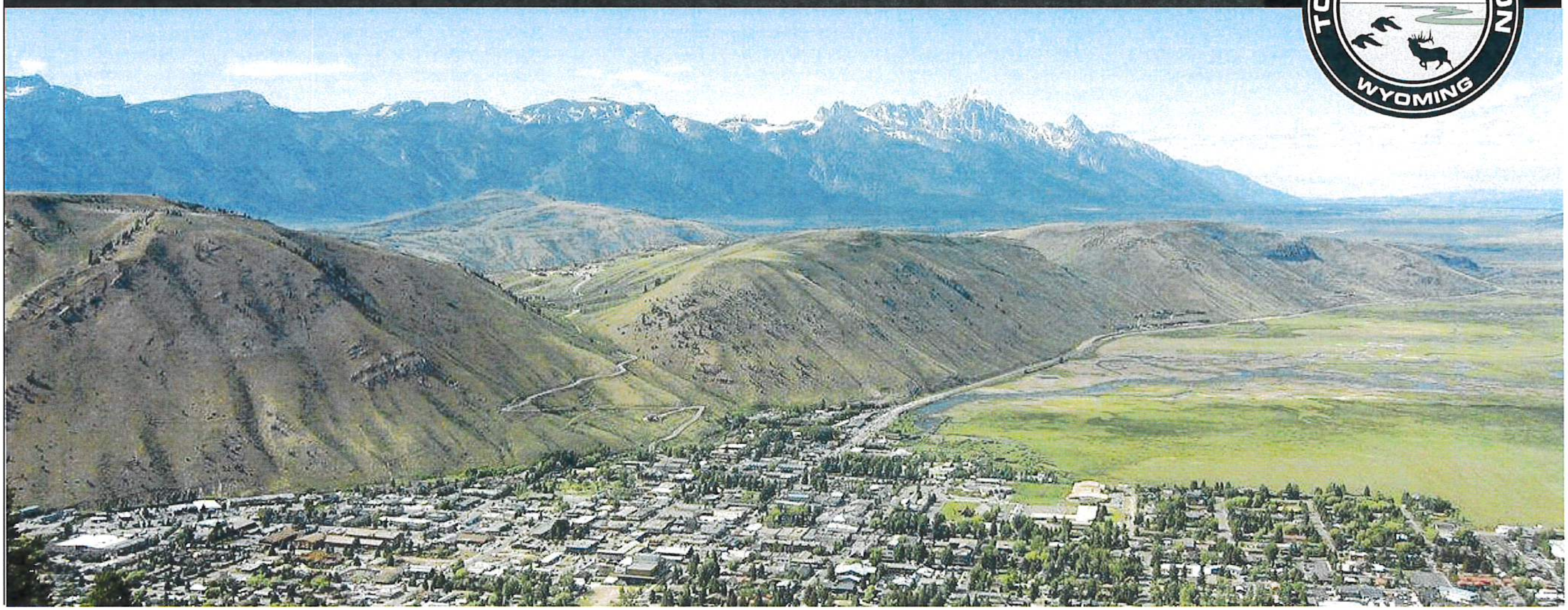
- Desired position relative to market – both pay plans were aligned to the market at the midpoint
- Definition of "market" – a mixture of private and public organizations or comparable size and operations
- What are the rewards focus (base vs. variable pay, benefits, etc.) – base pay, benefits and a known ideology as a pioneer for progress
- How are jobs valued? (internal vs. external, both, etc.) – jobs are valued internally and externally, although some lean harder in one direction or the other
- Administration (merit vs. pay for performance, increases, structure updates, bonuses, timing, etc.) – the City's current policy manual states that "pay is subject to approval of the annual budgetary process"

Compensation Philosophy Statement [SAMPLE]

The City of Anytown, USA recognizes its employees are its greatest asset in providing the best quality services to the community. The following compensation philosophy has been adopted to ensure that quality is maintained through the attraction, retention, and motivation of the City's workforce:

- Positions are evaluated fairly and consistently across the organization; and in accordance with state and federal regulations
- The City's defined labor market will be monitored to ensure that salaries are competitive. In addition, the City is proud to offer competitive paid time off, retirement, and health benefits packages to its employees
- Pay structures updates and pay increases will be determined annually based on the City's approved budget process. Consideration for updates and increases will be based on this compensation philosophy and the city's financial ability
- As a pioneer in the region, the City takes pride in providing employees with appropriate training, development and job enrichment opportunities; as well as other non-monetary rewards such as work/life balance and an innovative rich working environment

Questions?



Classification & Compensation Study: Town of Jackson, Wyoming

bakertilly

Compensation Philosophy: What is it?

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Compensation Philosophy: What should it contain?

- **Desired position in the marketplace**
  - **Lead, lag, or at market (Requesting Direction)**
- Definition of "market"
  - who do you compete against for talent? (Complete)
- The rewards focus
  - base vs. variable pay, benefits, etc. (*Following Completion of Pay Plans*)
- How jobs are valued
  - internal vs. external, both, etc. (Complete)
- Administration
  - merit vs. pay for performance, increases, structure updates, bonuses, timing, etc. (*Following Completion of Pay Plans*)

These can be approached vaguely or with detail

What should it contain?
Desired position in the market
Action Item For Consideration

- Lag: The organization will consciously set its pay equal to the current market levels at the beginning of the year. As the market increases throughout the year, the organization maintains its position
- Lead-Lag: The organization will set its pay at the mid-year anticipated market level. For the first half of the year the organization is 'ahead' of the market. For the second half of the year the organization is 'behind' the market
- Lead: The organization will set its pay at the anticipated end year market level and all year will be considered 'ahead' of the market until the next year

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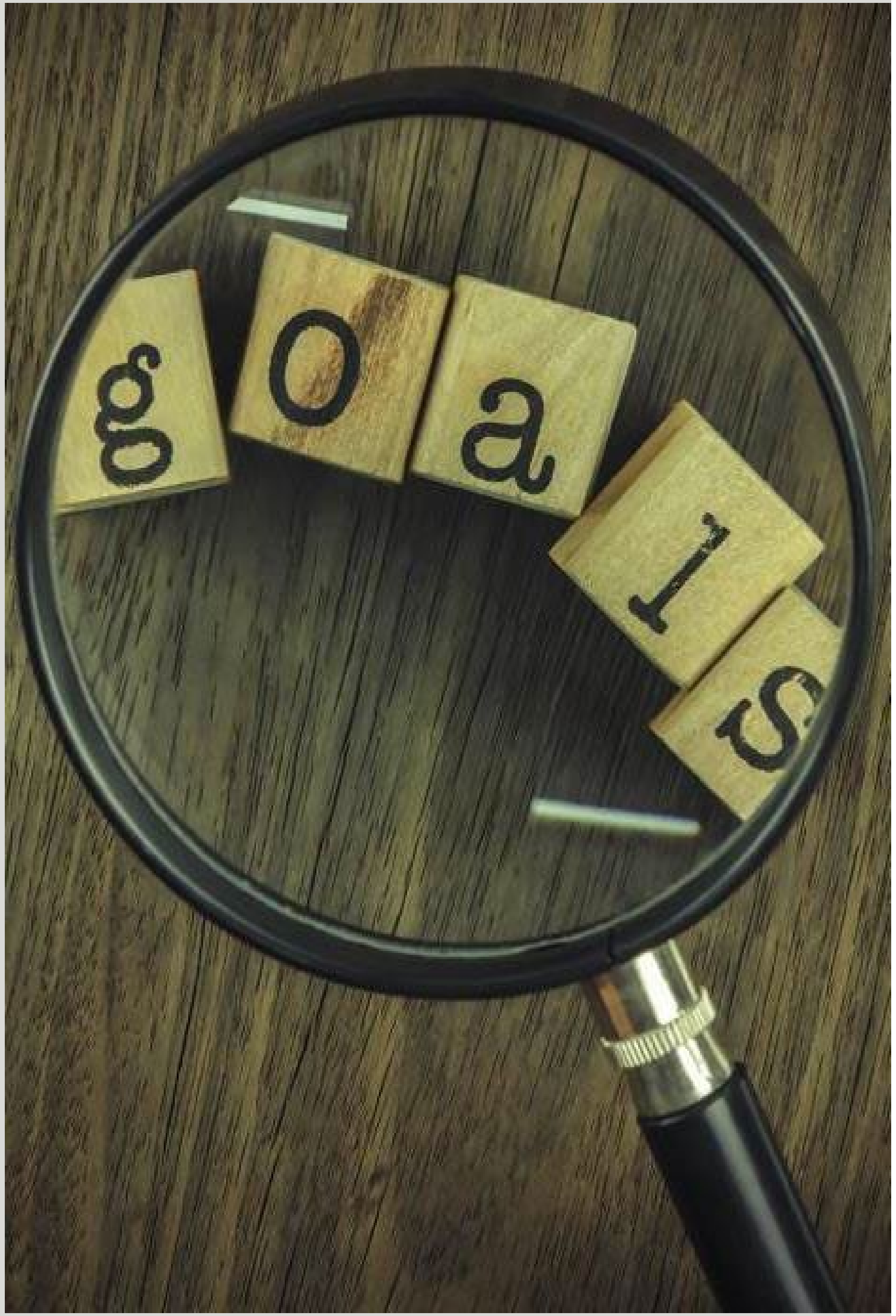

Appendix

Compensation Philosophy Examples

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- Market analysis: In order to maintain external equity and ensure the city is paying market wages, periodic market comparability studies are conducted. These surveys allow the city to ensure our position rates of pay are consistent with the pay rates in other Metropolitan areas
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- A transparent approach to compensation will help us achieve a culture of excellence.
- Rewarding employee achievements, developing employee talent and fostering career progression reinforces a productive work climate and the County's core values.

Compensation Philosophy Status

- Desired position relative to market – pay plans alignment (lag, at market, or lead) (Requesting Feedback)
- Definition of “market” – a mixture of private and public organizations or comparable size and operations (Complete)
- What are the rewards focus (base vs. variable pay, benefits, etc.) – base pay, benefits and a known ideology as a pioneer for progress (*Following Completion of Pay Plans*)
- How are jobs valued? (internal vs. external, both, etc.) – jobs are valued internally and externally, although some lean harder in one direction or the other (Complete)
- Administration (merit vs. pay for performance, increases, structure updates, bonuses, timing, etc.) – the City’s current policy manual states that “pay is subject to approval of the annual budgetary process” (*Following Completion of Pay Plans*)

STAFF REPORT

Meeting Date:	10/17/2022	Meeting Title:	Town Council Workshop
Submitting Department:	Community Development	Presenter:	Tanya Anderson
Agenda Item:	Town of Jackson Sustainability Plan	Public Comment:	Yes

Purpose & Policy Considerations.
The Town Council sets the policy for sustainability for the Town organization.

Requested Action.
The Community Development Department seeks guidance on the priorities, overarching goals and scope of the Town of Jackson Sustainability Plan.

Recommendations.
Staff recommends approval of the priorities of Ecosystem Stewardship, Climate Stewardship, and Climate Resiliency for a Community-wide or Hybrid Sustainability Plan that includes Scope 1, Scope 2, and Scope 3 emissions with the overarching goals and guiding questions outlined in this report.

Background.
The Town of Jackson has embarked on two main sustainability plans since 2006. The 10x10 initiative, a joint project between the Town of Jackson and Teton County, aimed for a 10% reduction in total electricity and fossil fuel consumption by 2010 from 2006 levels. This initiative was very successful in some key areas. Existing Town of Jackson facilities used 29% less energy in 2010 than they did in 2006, the Public Works Streets Department reduced gasoline use by 32%, and the Police Department reduced gasoline use by 52%. Natural gas and propane produce higher emissions than electricity, so high reductions in electricity use did not translate to high total emissions reductions. Also, the initiative was a joint Town-County effort and included new facilities built during that period, which made the total emissions reduction goals challenging. At the end of 2010, the initiative had achieved a 3% reduction in total energy use despite facilities growth.

The second sustainability plan, the 40x20 initiative, set goals to increase efficiencies by 20-40% by 2020 from either 2006 or 2010 levels depending on the year that baseline data was first collected. This program was highly successful at reaching and exceeding most of the goals. The Town achieved:

- 42% efficiency in Btu/ft^2
- 52% increase in efficiency for non-START Town vehicles in miles per gallon or hours per gallon
- 69% water usage efficiency in gallons per fixture
- 76% waste diversion
- 7% increase in efficiency pumping water, per gallon
- 64% more efficient per gallon of wastewater treated

These efforts saved the Town an estimated $2,339,057 in energy costs related to fuel, electricity, natural gas, and propane from FY2006 thru FY2020 while avoiding 2,914 tons of CO_2 equivalent. The Town of Jackson also committed to purchasing 100% of its electrical power from renewable sources, approved an idle-free resolution, and installed several public Electric Vehicle Charging Stations.

On April 6, 2020, Town Council passed a Net-Zero 2030 Resolution, joining other mountain towns in the region and communities across the United States and around the world in this endeavor. Net zero means balancing carbon emissions with carbon removal. There are four main ways for communities to reach net zero.

1. Reduce emissions
2. Install more GREEN energy projects
3. Create and protect carbon sinks through tree planting, regenerative agriculture, and other landscape improvements
4. Purchase carbon offsets

In 2020, the Jackson Hole Climate Action Collective convened interested community members to create a community Climate Action Plan. That effort birthed the Teton Climate Action Partnership, a collaborative of community members working to identify, fund, and bring to fruition projects that support the goal of equitable net zero. Both groups continue to do valuable work in this arena, with the Jackson Hole Climate Action Collective focusing on the drafting of a Climate Action Roadmap for the community, and the Teton Climate Action Partnership working on projects that can make an impact immediately to reduce our emissions. The two groups have an amicable relationship and communicate regularly regarding areas of overlap.

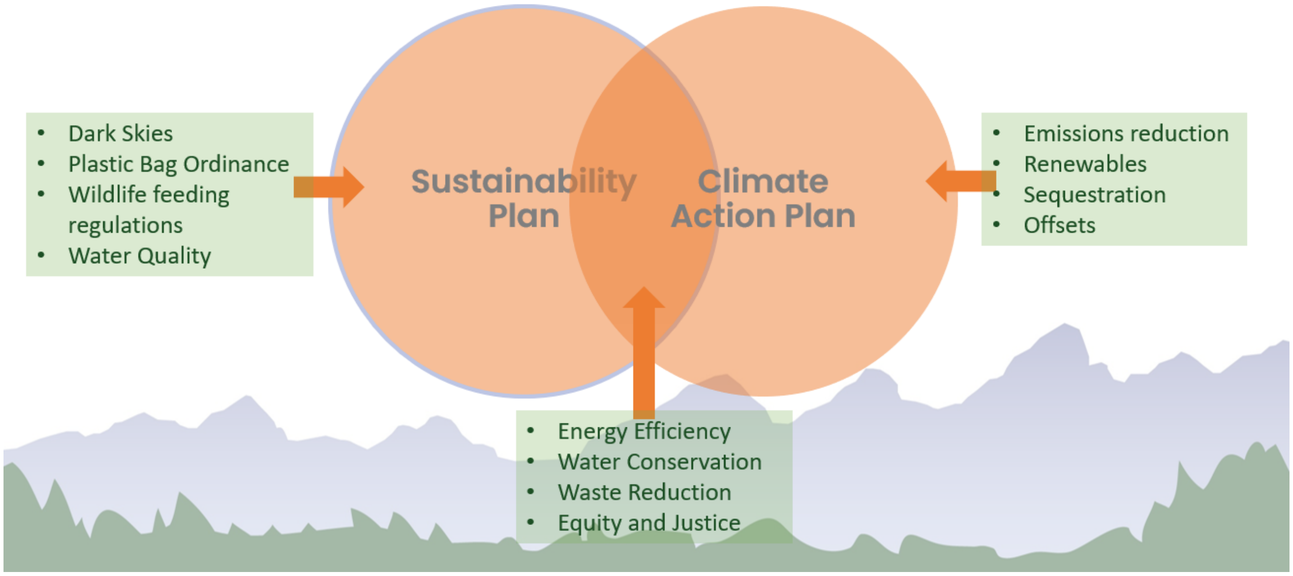
In the fall of 2021, Town Council approved a job description for the newly created Ecosystem Stewardship Administrator position. The approved job description designated 20% of time to be spent leading Town sustainability programming, and another 20% supporting the Teton Climate Action Partnership and Jackson Hole Climate Action Collective. The Ecosystem Stewardship Administrator started in May.

Analysis.

Priorities

The first step in creating a Sustainability Plan is to determine our priorities. What do we want to accomplish with a Sustainability Plan, and why? There are many different reasons to create a Sustainability Plan, ranging from financial prudence to environmental protection to community health and resiliency. Determining the priorities for the Town of Jackson will also determine what type of plan we should create.

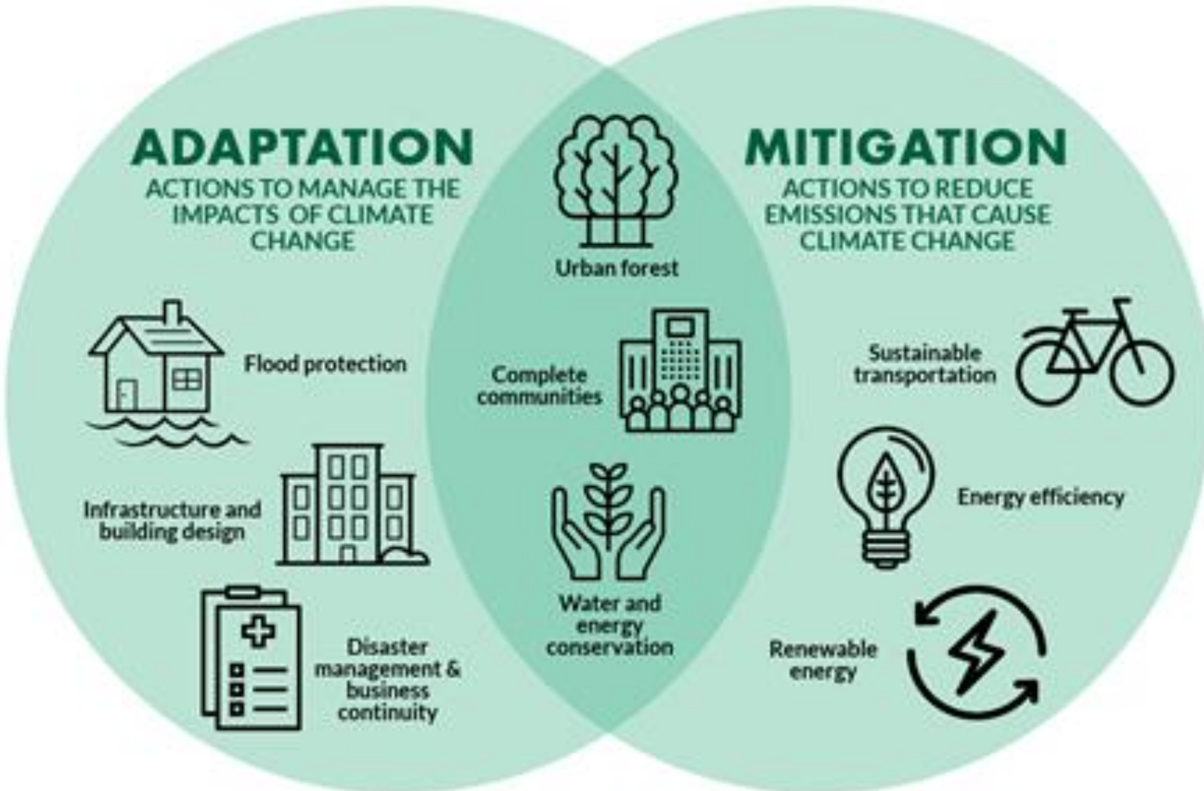
Sustainability is defined as a system of practices that are healthy for the environment, community, and economy and can be maintained for current and future generations. Many communities have Sustainability Plans, while others have Climate Action Plans. The difference between the two is that a Climate Action Plan focuses on targets associated with the reduction of emissions and shifting the energy mix to cleaner energy sources, while a Sustainability Plan includes many targets and practices that benefit the environment but do not necessarily reduce emissions. Some initiatives within a Sustainability Plan may even increase emissions. The previous Sustainability Plans that were adopted by the Town of Jackson would more accurately be described as Climate Action Plans, as the primary targets were related to emissions reduction. Some communities have successfully combined components of sustainability and climate action into one plan. The following graphic shows examples of priorities within each type of plan, as well as areas of overlap.



<u>Staff Recommendation</u>: Staff recommends a Sustainability Plan that combines sustainability and climate action.

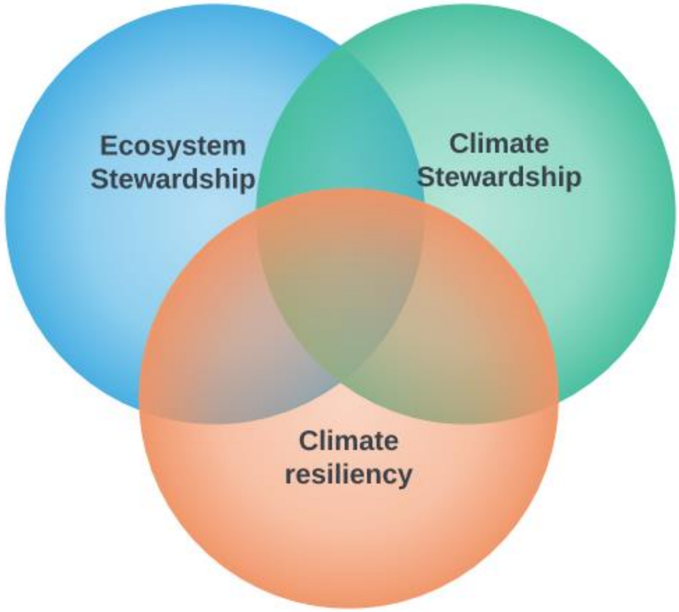
For communities that adopt Climate Action Plans, there is variation in the goals and purpose of those plans. Some communities with Climate Action Plans focus solely on mitigation by setting targets to reduce total emissions or increase efficiencies. These communities may by driven by potential cost savings, by a desire to "do their part" by reducing global emissions, to show their residents they care, or to be a leader in global climate action and inspire other communities to do the same. Our previous Sustainability Plans have accomplished many of these goals. Other communities with Climate Action Plans include strategies for adaptation to the impact of climate change. These communities may focus on improving human health and safety and community resiliency.

Our region is already seeing some of the impacts of climate change. The Greater Yellowstone Climate Assessment predicts many more changes in the future, including but not limited to: more days with temperatures exceeding 90 degrees Fahrenheit, higher overnight temperatures that reduce the ability of our waterways to recover from high daytime temperatures, more wildfires, more precipitation falling as rain rather than snow, a shift in the timing of peak runoff, increased flooding and rain on snow events in the spring, and increased drought in the summer and fall due to lower inputs from snowmelt. These predicted changes will affect both human health and the ecosystem that we committed to preserving and protecting in our Comprehensive Plan. To account for the impacts that are already being felt in our community and prepare adequately for the future, staff finds it important to include Climate Resiliency in any Climate Action Plan. A Climate Resiliency Plan should identify vulnerabilities and strategies to minimize future impacts. It might plan for wildfire prevention, propose infrastructure that would reduce the impact of large flood events, ensure fish passage in the case of floods or droughts, protect water sources, identify resiliency centers, and develop ways to keep vulnerable populations safe during periods of extreme heat or poor air quality due to wildfire smoke. The following graphic shows examples of differences between climate mitigation plans and climate adaptation plans, as well as areas of overlap.



Staff Recommendation: Staff recommends including climate resiliency in our Sustainability Plan.

The Town of Jackson is the gateway to two national parks, is a part of the largest intact ecosystem in the lower 48 states and lies in the Snake River Headwaters. The vision of our Comprehensive Plan is to preserve and protect the area's ecosystem in order to ensure a healthy environment, community, and economy for current and future generations; doing so requires looking not just at emissions, but also at our impact on air, water, and wildlife. Staff finds it requires identifying the vulnerabilities our community faces due to the changes in climate that are already occurring and actively working to increase resiliency. As such, staff recommends developing a Town of Jackson Sustainability Plan that combines Ecosystem Stewardship, Climate Stewardship, and Climate Resiliency, as shown in the Venn diagram below.



Staff Recommendation: Staff recommends combining elements from a Climate Action and Adaptation Plan with a Sustainability Plan. To align with our community values and the wording in our Comprehensive Plan, staff recommends identifying the priorities as follows: Ecosystem Stewardship, Climate Stewardship, and Climate Resiliency.

Council Discussion Point: Does Council support the three priorities for a Sustainability Plan as described above? Council may support all three priorities. Alternatively, Council may support 1 or 2 of the above priorities or may reject all three and propose new priorities.

Overarching Goals
If Council supports the three priorities discussed above, our next step is to set overarching goals to guide plan creation within each priority. Many goals have already been set by Town Council through resolutions and in our Comprehensive Plan. Using those goals as a starting point that will help us to keep the big picture front of mind. Once direction is received from Town Council regarding the priorities and scope, teams will be assembled to set more specific and measurable targets within each of the priorities.

Staff proposes using the following overarching goals to guide this process:
Climate Stewardship goal:
- Net zero by 2030

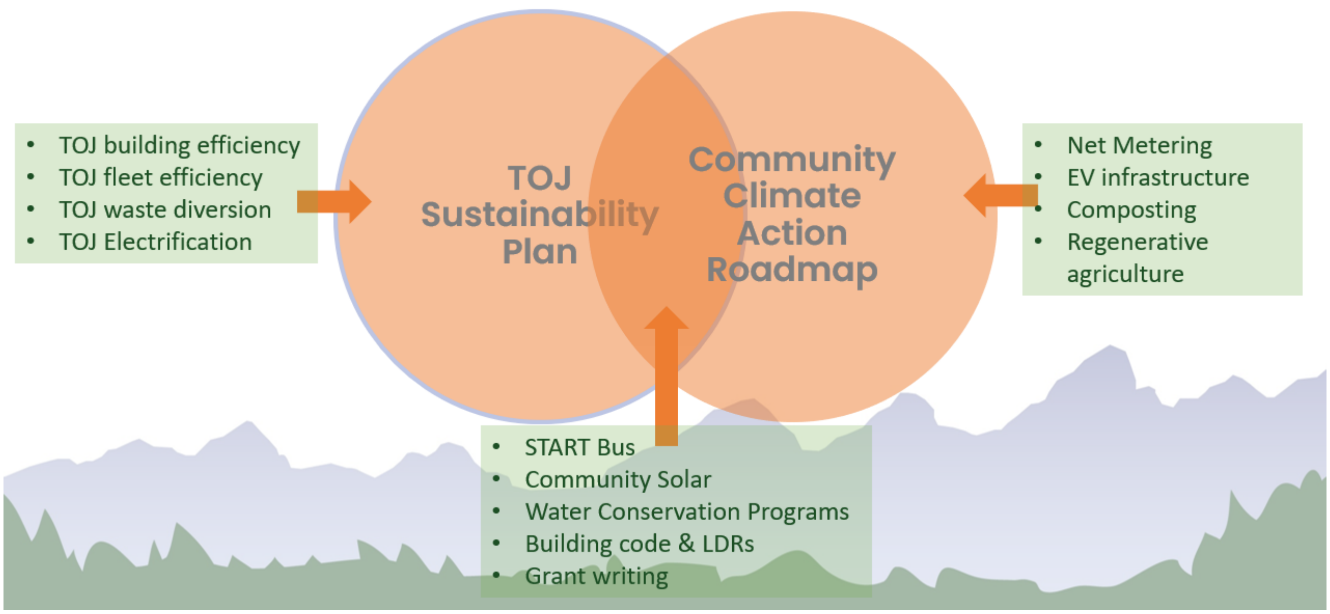
Ecosystem Stewardship Goals:
- Maintain healthy populations of all native species
- Preserve and enhance surface water and groundwater quality
- Reduce air pollutants produced in our community from 2022 levels

Climate Resiliency Goal:
- Identify areas of vulnerability in our community and actively work to increase resiliency

Staff Recommendation: Staff recommends the above goals to guide the creation of a Sustainability Plan.

Council Discussion Point: Does Council support the proposed overarching goals? Council may support goals in all three priority areas. Alternatively, Council may pick one or two overarching goals and reject others or may accept some overarching goals and propose different goals.

Plan Scope
The reach of the plan also needs to be determined. In the past, the Town of Jackson Sustainability Plan applied only to Town-owned properties and vehicles and Town-run operations. Some operations, such as START and staff housing, were excluded. However, reaching a goal of Net-Zero by 2030, which was approved by Town Council resolution in April or 2020, requires action to reduce emissions throughout the community. Currently, the Jackson Hole Climate Action Collective is working on a community-wide Climate Action Roadmap. Draft versions of the Roadmap show many areas of overlap with a Town Sustainability Plan. The following diagram shows examples of things typically included in a Municipal Sustainability Plan, things typically included in Community-wide Climate Action Plans, and areas of overlap, where the municipality has direct control over policies and programs that affect the carbon footprint and sustainability of the greater community.



A recent Sustainability Plan created by the Town of Breckenridge shows an example of a plan that includes Municipal Goals and Community Goals within each priority area. It was created in alignment with the goals set forth in a larger county-wide Climate Action Plan. Other communities have recommended merging multiple plans into one whenever possible.

Staff has identified three options for the scope of the Town of Jackson sustainability plan:

1. Sustainability Plan for Town of Jackson operations only. This option is in line with what was done in the past and would focus on Municipal Operations only. A Municipal Plan is easier to manage because it limits the scope of work. However, it only addresses a portion of the total emissions in our community.

2. Hybrid Municipal and Town of Jackson Sustainability Plan. This option would include both targets for Town of Jackson Municipal Operations and also targets and initiatives that the Town of Jackson can influence through Municipal Code and LDR amendments, resolutions, incentives, projects, and education. Building efficiency, waste reduction incentives, water conservation programs, and electric vehicle infrastructure are examples of things that might be included in a hybrid-plan.
3. Community-wide Sustainability Plan. This would merge goals related to Town operations with a Community-wide Climate Action and Sustainability Plan. It would involve coordination with the Jackson Hole Climate Action Collective, the Board of County Commissioners and other stakeholders. This is the most comprehensive level of Sustainability Plan.

Staff Recommendation: Staff recommends expanding the scope of our Sustainability Plan from a Town-Only plan to either alternative 2, a Hybrid Sustainability Plan, or alternative 3, a Community-wide Sustainability Plan.

Council Discussion Point: What should the scope be for a Sustainability Plan?

Emissions Scope
If Climate Action is approved as a priority for the Sustainability Plan, the depth to which we measure emissions needs to be determined. The sustainability industry has divided different types of emissions into three categories, defined below:

Scope 1 emissions – On-site combustion of fossil fuels such as natural gas, diesel, gasoline, propane, and methane. These emissions contribute to local air and water pollution and affect the health of local community members. A local example is the emissions from diesel and gasoline burned by Town-Owned vehicles.

Scope 2 emissions- Indirect emissions from purchased electricity. These emissions affect communities where power plants are located. A local example is the emissions from the creation of electricity used to power Town-Owned Electric Vehicles.

Scope 3 emissions - Emissions from businesses that create the products we use or transport goods and people to, from and within our community. These emissions may affect both our local community and other communities. Examples of Scope 3 emissions include staff commutes to and from work, air travel for business, emissions from capital purchases, investments, and emissions produced by waste sent to the landfill in Idaho Falls. Scope 3 emissions are the most difficult to track. A local example is the emissions from motor vehicles and flights staff used to attend a recent conference in Colorado.

In the past, Town of Jackson Sustainability Plans measured emissions that were emitted in our community through the burning of fossil fuels such as gasoline and diesel, natural gas, and propane, in Town-owned vehicles and buildings. We also measured emissions that were generated to produce our electricity, and which entered the environment in other communities. Theses emissions fall primarily within Scope 1 and Scope 2 emissions. Outside of efforts to reduce the amount of waste sent to the landfill, the Town has not focused on reducing Scope 3 emissions. The difficulty of measuring Scope 3 emissions can be a barrier to including them in a Sustainability Plan. However, some Scope 3 emissions are easier to measure than others, such as staff air travel for business. Other Scope 3 emissions may be estimated using industry standards to simplify. It is also possible to have goals related to Scope 3 emissions that do not measure emissions. For example, past Town of

Jackson Sustainability Plans measured waste diversion rather than tons of carbon reduced through waste reduction efforts. This reduces staff time spent calculating emissions while still taking steps to reduce Scope 3 emissions. Finally, a commitment to including Scope 3 emissions does not require the Town to include *every* Scope 3 emission. If Council approves including Scope 3 emissions in a Sustainability Plan, staff on teams in each priority area can determine which Scope 3 emissions to focus on.

Staff Recommendation: Staff recommends embarking on a Sustainability Plan that includes goals related to Scope 3 emissions in select categories.

Council Discussion Point: Should the Town of Jackson include Scope 3 emissions in a Climate Action or Sustainability Plan?

Guiding Questions
To balance multiple priority areas, it is important to ask a series of questions for any sustainability initiative to ensure that a benefit for one area does not have a negative impact on the other. In addition, it is important to evaluate initiatives for equity to ensure that actions do not have a negative effect on some segments of the population while they benefit others. One aspect of equity includes choosing actions that benefit our community without displacing harm to other communities where energy is produced or products are made. Staff propose four guiding questions to use as a filter for all sustainability initiatives:

1. Does it promote a healthy environment, here and elsewhere?
2. Does it promote a healthy community?
3. Do the long-term benefits outweigh the economic impacts of implementation?
4. Is it equitable?

Staff Recommendation: Staff recommends the four questions listed to guide strategies used within a Sustainability Plan.

Council Discussion Point: Are there the right questions to ask when developing strategies to reach the goals set within a Sustainability Plan?

Possible Alternatives.
Priorities:

1. Reject all priorities
2. Accept one or two of the proposed priorities

Overarching Goals:

1. Reject all overarching goals
2. Accept some of the proposed goals, but not others

Plan Scope:

1. Approve a Municipal Plan

Emissions Scope

2. Approve a plan that addresses Scope 1 and Scope 2 emissions only

Guiding Questions

1. Reject all guiding questions
2. Approve some of the guiding questions, but not others

Comprehensive Plan & Priority Alignment.

Principle 1.1—Maintain healthy populations of all native species.

For future generations to enjoy the ecosystem that exists today the community must manage our impacts to wildlife, wildlife habitat, and wildlife movement corridors on private and public land. The prevalence of wildlife that is central to our ecological, social, and economic character requires an intact ecosystem that supports all native species. Therefore, efforts to protect wildlife must extend to all native species.

Principle 1.2 – Preserve and enhance surface water and groundwater quality.

Clean water is one of the most basic requirements of a healthy ecosystem and community. Protecting the water quality of Jackson and Teton County is essential to the ecosystem and scenic beauty that residents and visitors enjoy. In addition, the public has the right to clean, affordable drinking water. Stewardship of surface water bodies of all sizes, the Snake River Sole Source Aquifer, wetlands, riparian areas, and groundwater, is vital to sustaining healthy populations of native species and for the health and safety of the human community. Preservation of water quality includes water features, from small creeks to large systems, including the Snake River Sole Source Aquifer, due to its importance as the community's water source. Among other measures, it is integral to minimize pollution from wastewater and stormwater that cause water quality impairment and threaten overall ecosystem health.

Policy 1.3.d Maintain dark night skies

The prominence of nature over the built environment should extend beyond daytime viewsheds. The lighting of individual developments cumulatively impacts the ability to see dark and starry night skies. Although illumination is required for public safety, especially along pedestrian corridors, non-essential lighting should be limited, and all lighting will be designed to meet dark skies best practices. Existing development will also be encouraged to implement best practices.

Principle 2.1 – Reduce energy consumption of non-renewable energy

To reduce the emission of greenhouse gases that contribute to climate change, the community should reduce its consumption of energy from non-renewable sources. The Town and County will lead by example and encourage reductions in energy demand and the use of renewable energy sources. However, it is the daily responsibility of the entire community to reduce greenhouse gas emissions whether for climate, financial or other reasons.

Principle 2.2 Reduce greenhouse gas emissions through land use

Land use patterns have a great effect on the community's overall energy consumption and should be designed with energy efficiency in mind. Complete Neighborhoods require less energy consumption for travel within and around the community; and compact mixed-use infill and redevelopment requires less energy in the provision of services and infrastructure.

Principle 2.3 – Reduce greenhouse gas emissions through transportation

Transportation accounts for approximately 80% of the total carbon emissions in the community and should be a focus of the community's efforts to reduce energy consumption. Reducing fuels consumed for transportation and using renewable fuels has the greatest potential to reduce the community's overall carbon emissions and consumption of non-renewable resources.

Principle 2.4 – Increase energy efficiency in buildings
It is the community's goal to achieve carbon neutral buildings by 2030. Increasing the energy efficiency of buildings and reducing the energy used for the construction of buildings will greatly increase the community's energy conservation efforts, as the construction and operation of buildings accounts for close to 15% of energy use in Jackson and Teton County. Publicly funded construction projects will lead by example in implementing this policy, and incentives will be provided to reduce the energy demand of new and existing private buildings.

Principle 2.5 – Reduce greenhouse gas emissions through waste management and water conservation
The community will reduce the amount of energy required to distribute, clean, and dispose of water and waste through conservation efforts. Our current water consumption and waste management practices will have long-term adverse impacts on the ecosystem and the community's energy demand if conservation measures are not pursued.

Principle 3.4 – Limit development in naturally hazardous areas
Development in hazardous areas threatens the health, safety and welfare of human inhabitants. Steep slopes, poor soils, avalanche chutes, floodplains, dense forests and areas along fault lines offer unique opportunities for interaction with the environment, but when natural events do occur in these areas the results can be disastrous.

Principle 7.1 – Meet future transportation demand with walk, bike, carpool, transit and micro-mobility infrastructure
If the fastest way to travel around the community and region is by walking, biking, carpooling or taking transit, residents, and visitors will move in a way that benefits the environment, their pocketbook, and their health. To achieve this goal, capital investment in transportation must be focused on walking, biking, carpooling, and transit. Single occupancy vehicle solutions have the most significant environmental footprint while providing transportation access to a limited portion of the population. Increasingly, the transportation network will be an interconnection of walking, biking, carpool and transit infrastructure that makes the single-occupancy vehicle the least convenient mode of travel.

Principle 7.2 – Reduce greenhouse gas emissions from vehicles from 2012 levels
One of the biggest threats to the health of the ecosystem is climate change. The most significant local contributor to greenhouse gas emissions is surface transportation – the cars, trucks, and buses we use to travel into, within, and out of the community. As stewards of the ecosystem, we will manage our transportation to reduce emissions. Cleaner vehicles, fewer trips, and trips that move more people will be prioritized over strategies focused on reducing congestion.

Principle 9.3 – Anticipate future issues and pioneer innovative solutions
Existing implementation tools will not be enough to fully achieve the community's aspirational goals. We have identified many tools that will move the community toward its Vision. We have also purposefully set the Vision out of reach of conventional approaches to challenge ourselves to explore the adjacent possible and reset the leading edge. To find new solutions, we will have to be willing to analyze and perhaps pilot atypical approaches that do not have historical precedent and may not yield tangible progress.

Fiscal Impact.
$75,000 in the budget for sustainability projects this fiscal year. None has been spent to date.

Staff Impact.
20% of the Ecosystem Stewardship Administrator's job description, or approximately 357 hours annually, is dedicated to the Town Sustainability plan. She has spent 80 hours conducting research and assembling this report to date. Other staff, including Interim Town Manager Tyler Sinclair and Public Works Assistant Director Johnny Ziem, have spent an estimated 16 hours providing background information and feedback. For the remainder of the fiscal year, the Ecosystem Stewardship Administrator will spend approximately 8 hours per week on the Sustainability Plan. Other staff who participate in teams assembled to create specific strategies and targets will spend an estimated 80 hours supporting the creation of a Plan.

Attachments or Links.
None.

Suggested Motion. *Council always has the option to adopt, approve with conditions, continue, or deny items*.

1. I move to approve the priorities of ecosystem stewardship, climate stewardship, and climate resiliency and the overarching goals and guiding questions as written in this October 17, 2022 staff report for a *Community-wide Sustainability Plan* that includes Scope 1, Scope 2, and Scope 3 emissions.
2. I move to approve the priorities of ecosystem stewardship, climate stewardship, and climate resiliency and the overarching goals and guiding questions as written in this October 17, 2022 staff report for a *Hybrid Municipal and Town of Jackson Sustainability Plan* that includes Scope 1, Scope 2, and Scope 3 emissions.