



Memorandum

To: Vail Town Council

From: Community Development Department

Date: October 3, 2017

Subject: Second reading of Ordinance No. 12, Series of 2017, an ordinance amending Section 12-23-2, Employee Generation and Mitigation Rates, Vail Town Code, to amend Table 23-1, Employee Generation Rates by Type of Commercial Use, and to amend the definition of Nexus Study in Section 12-2-2, definitions, Vail Town Code, and setting forth details in regard thereto. (PEC17-0033)

Applicant: Town of Vail, represented by Lynne Campbell, Housing Coordinator
Planner: Chris Neubecker

I. SUMMARY

The applicant, Town of Vail, represented by Lynne Campbell, Housing Coordinator, is requesting a second reading of Ordinance No. 12, Series of 2017 for a Prescribed Regulations Amendment to amend Section 12-23-2, Employee Generation and Mitigation Rates, Vail Town Code, to amend Table 23-1, Employee Generation Rates by Type of Commercial Use, and to amend the definition of Nexus Study in Section 12-2-2, definitions, Vail Town Code. These amendments are necessary to update the 2006 Vail Employer Survey Summary of Results (Nexus Study – Attachment D) in order to remain effective and relevant.

This ordinance would amend Table 23-1, which identifies the employee generation rates for various types of commercial uses within the Town. The ordinance will also amend the definition of Nexus Study to specifically identify the 2016 Vail Employer Survey, Summary of Results” dated February 2017, prepared for the Town of Vail by RRC Associates as the Town’s Nexus Study for the purposes of these employee generation rates. This update is necessary because the last time this study was updated was in 2006, and the Vail Town Code recommends updating the Nexus Study report every five (5) years, or more often if deemed necessary by Town Council.

On August 28, 2017 the Planning and Environmental Commission (PEC) voted 4-3 (Rediker, Gillette and Perez opposed) recommended the Vail Town Council **approve** Ordinance No. 12, Series of 2017. This recommendation was based upon the review of the criteria outlined in Section V of the August 28, 2017 memorandum to the Planning and Environmental Commission, and the evidence and testimony presented.

On September 19, 2017 the Town Council voted 6-1 (Foley opposed) to approved Ordinance No. 12 on first reading.

II. BACKGROUND

The purpose of the chapter on Commercial Linkage is to ensure that new commercial development and redevelopment in the town provide for a reasonable amount of employee housing (20%) to mitigate the impact of the increased need for employee housing caused by commercial development and redevelopment. The employee generation rates are used to quantify the impacts of various types of commercial land uses on the demand for employee housing. These employee generation rates provide a policy that is fair, consistent, understandable, predictable and easily calculated. The proposed changes are supported by the following reasons:

- There is a substantial, direct and rational connection between the need for housing of employees generated by new development and redevelopment and the requirements for the provision of employee housing.
- It is the Town Council's goal to provide housing for at least twenty percent (20%) of the net new employees generated from residential and commercial development in the Town of Vail through the Commercial Linkage and Inclusionary Zoning policies.
- On April 3, 2007, the Town Council adopted Chapter 23, Commercial Linkage and Chapter 24, Inclusionary Zoning, Vail Town Code, for the purpose of requiring new development and redevelopment to provide a reasonable and appropriate percentage of new employee housing, which has a rational nexus to new job creation.
- The last time that the Nexus Study was updated was in 2006. More than 11 years have passed since the last study, and more recent data must be considered. The Nexus Study needs to be updated every five (5) years, or more often if deemed necessary by the Town Council.
- The Vail Local Housing Authority discussed this 2016 Vail Employer Survey Summary of Results, February 2017 (Nexus Study) at their meeting on July 25, 2017 and again on August 22, 2017, and has forwarded its recommendation to update the Commercial Linkage regulations.

III. PROPOSED TEXT AMENDMENT LANGUAGE

The proposed amendments include changing the chart in Section 12-23-2: Employee Generation and Mitigation Rates, Vail Town Code, as well as amending the definition of Nexus Study. (Language proposed for removal is shown as ~~struck through~~. Language proposed to be added is shown in **bold**.)

12-2-2: Definitions of Words and Terms

NEXUS STUDY: A report, prepared at the request of the town council, updated at least every five (5) years or more often if deemed necessary by the town council, analyzing the current and future employee housing needs resulting from new development and redevelopment in the town. **The “2016 Vail Employer Survey, Summary of Results” dated February 2017, prepared for the Town of Vail by RRC Associates, and on file with the office of the town clerk, analyzing the current and future employee housing needs resulting from new development and redevelopment in the town.**

Table 23-1: Employee Generation Rates by Types of Commercial Use

<u>Types of Use</u>	<u>Existing</u>	<u>Proposed</u>	<u>RRC Merged Database</u>
Accommodation unit / limited service lodge unit	0.7 employee per net new units	0.6 employee per net new units (-0.1)	0.7 employee per net new units
Business office and professional office (including real estate and property management office)	3.2 employees per 1,000 feet of new net floor area	3.2 employees per 1,000 feet of new net floor area	3.1 employees per 1,000 feet of new net floor area
Conference facility	0.8 employee per 1,000 feet of new net floor area	0.8 employee per 1,000 feet of new net floor area	No data
Eating and drinking establishment	6.75 employee per 1,000 feet of new net floor area	10.2 employees per 1,000 feet of new net floor area (+3.45)	7.8 employees per 1,000 feet of new net floor area
Health club	0.96 employee per 1,000 feet of new net floor area	0.96 employee per 1,000 feet of new net floor area	No data
Real estate office	5.1 employee per 1,000 feet of new net floor area	5.1 employee per 1,000 feet of new net floor area	No data
Retail store / personal service / repair shop	2.4 employee per 1,000 feet of new net floor area	2.4 employee per 1,000 feet of new net floor area	3.0 employee per 1,000 feet of new net floor area
Spa	2.1 employee per 1,000 feet of new net floor area	2.1 employee per 1,000 feet of new net floor area	No data

IV. ACTION REQUESTED OF THE TOWN COUNCIL

Should the Vail Town Council choose to approve Ordinance No. 12, Series of 2017 upon second reading, the Planning and Environmental Commission recommends the Council passes the following **motion**:

“The Vail Town Council approves, on second reading, Ordinance No. 12, Series of 2017, an ordinance amending Section 12-23-2, Employee Generation and Mitigation Rates, Vail Town Code, to amend Table 23-1, Employee Generation Rates by Type of Commercial Use, and to amend the definition of Nexus Study in

Section 12-2-2, definitions, Vail Town Code, and setting forth details in regard thereto.”

Should the Vail Town Council choose to approve Ordinance No. 12, Series of 2017 the Community Development Department recommends the Council makes the following **findings**:

“Based upon the review of the criteria outlined in Section V of the Staff memorandum to the Planning and Environmental Commission dated August 28, 2017, and the evidence and testimony presented, the Vail Town Council finds:

- 1. That the amendment is consistent with the applicable elements of the adopted goals, objectives and policies outlined in the Vail Comprehensive Plan and compatible with the development objectives of the town; and*
- 2. That the amendment furthers the general and specific purposes of the sign regulations; and*
- 3. That the amendment promotes the health, safety, morals, and general welfare of the town and promotes the coordinated and harmonious development of the town in a manner that conserves and enhances its natural environment and its established character as a resort and residential community of the highest quality.*

V. ATTACHMENTS

- A. Ordinance No. 12, Series of 2017
- B. PEC Memorandum, dated August 28, 2017, with attachments
- C. August 28, 2017 PEC meeting results
- D. 2016 Vail Employer Survey, Summary of Results, February 2017
- E. Letter from Vail Local Housing Authority, August 14, 2017